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BRIEFS

1980 ALAT FORCES--General Maurice Cannet, commander of the Light Aircraft Forces of the Ground Army [l'Aviation Legere de l'Armee de Terre] has given a description of the structures, materials and underlying theory of this branch of the armed forces. At a strength of 6,000 men (of which 2,800 are cadre forces), ALAT has at its disposal 700 machines of which 600 are available on a permanent basis, 625 helicopters (Alouette II, Alouette III, Gazelles, Puma) and 75 light reconnaissance aircraft (20 Broussard and 55 L-19). Each of the 160 Gazelles flies about 25 hours per month while each of the 120 Pumas totals on the average 21 flight hours per month. All the ALAT aircraft perform around 160,000 flight hours annually. [Text] [Paris LE MONITEUR DE L'AERONAUTIQUE in French Dec 79 p 9] 8008

MM-40 MISSILE TESTED--A series of firings of dummy MM-40 missiles was recently carried out successfully from ground installations and from surface structures. (Recall that the MM-40 is a derivative of the MM-38 Exocet with the range of the latter being extended.) It has an automatic guidance system and carries a charge identical with those of the MM-38; also like the latter it flies close to the surface of the sea. The MM-40 can be fired either from coastal batteries or from surface structures. [Text] [Paris LE MONITEUR DE L'AERONAUTIQUE in French Dec 79 p 9] 8008

MIRAGE 2000, 4000 TESTED--Report on Mirage activity at the AMD-BA Flight Test Center in Istres. The three prototype Mirage 2000 at the present time total 274 flights and are the subject of continuous flight testing with the following object: Aircraft No 1 (118 flights)--various studies of flight performance and flight quality. Aircraft No 2 (137 flights)--extension of the flight domain with an increase in external load (4 air-to-air missiles, wing tanks, belly tank, etc.). Aircraft No 3 (19 flights)--continuation of flight tests of the automatic pilot. These three aircraft are demonstrating wide usefulness since, for example, during 15, 16 and 17 October they carried out 13 flights, 6 flights having been carried out in a single day by one of the aircraft. Aircraft No 4 was transported to Istres on 15 November and will make its flight debut on 15 March 1980. Aircraft No 5 (two-place version), which is in course of completion, will fly in July 1980. A static test air frame of the Mirage

2000 will be transported to the CEAT of Toulouse next December and will begin its tests in January 1981. On the other hand the prototype of the Super-Mirage 4000 is now being subjected to vibration tests with external loads (2,500-liter tanks and Magic missiles). The aircraft has carried out a total of 50 flights and the extension of its flight domain is being carried out gradually. Five test pilots have already operated the equipment. [Text] [Paris LE MONITEUR DE L'AERONAUTIQUE in French Dec 79 p 9] 8008

NEW NUCLEAR SQUADRON--The year 1980 will see the creation of a fifth tactical nuclear squadron within the FATac: it will be equipped with 15 Jaguar A's and will be based on Istres. At the present time the air arm is using 30 Mirage IIIE's (4th EC of Luxeuil with the following squadrons: 1/4 "Dauphine" and 2/4 "Lafayette") and 30 Jaguar A's (7th EC of St. Dizier with the following squadrons: 1/7 "Provence" and 2/7 "Languedoc") for its tactical nuclear attack missions. The latter aircraft are equipped with the AM-52 bomb which has a power of 15 kilotons. [Text] [Paris LE MONITEUR DE L'AERONAUTIQUE in French Dec 79 p 10] 8008

'LA PRESSE' COMMENTS ON REFERENDUM QUESTION

Referendum Underscores Canadian Liberty

Montreal LA PRESSE in French 21 Dec 79 p A 4

[Editorial by Marcel Adam: "The Proposed Referendum Question"]

[Text] The Levesque government has just presented the long-awaited question which it proposes to submit to the Quebec population in next Spring's referendum.

Even though the date of the referendum has not yet been set, we witnessed yesterday the beginning of the countdown which will bring us ineluctably to this historic vote, unless some unforeseeable circumstance prevents it.

The substance of the proposed question will surprise no one, since its outlines could be seen in the prime minister's various speeches during the last year, and especially in the white paper published last month.

The proposed question is known, but no one can be sure that it will be the one that the Quebecois will actually ask themselves. It must first be submitted for discussion and approval by the National Assembly.

To judge by the negative reception given it by the opposition parties yesterday, the government will not be able to obtain the unanimous support of the legislature.

If it does not succeed in obtaining this unanimity, I fear that the credibility of the referendum will suffer seriously. In order for this historic event not to misfire, the result must have a significance that is clear to all. This implies that unanimous agreement be reached at the outset on the question to be posed.

Prime Minister Levesque said yesterday that the proposed question is "clear and frank," completely free of any "disguise." Liberal chief Claude Ryan declares that the confusion remains total, and calls it fraud. We will have the opportunity to make a judgment about this.

For the moment, I would say that it is skilfully framed and cautious. It is aimed at reassuring the Quebecois by placing emphasis on the proposed entente with Canada--something that Quebec cannot determine alone--rather than on sovereignty, which is up to us alone, but will be the subject of an eventual negotiation.

The formulation of the question proves that the government is aware of the population's reticence with regard to its option. For example, the preamble preceding the question shows how hard the government is trying to convince the Quebecois that a "yes" will not commit them irreversibly: "Any change of political status resulting from these negotiations will be submitted to the population by referendum." It does not even any longer give itself the choice of an election as the second consultation.

We will have occasion to analyze this proposed question in the days and weeks to come. The stakes are high enough to deserve more than a hasty and superficial reaction.

Today I would particularly like to stress that yesterday's ceremony, broadcast by radio and television, was characterized by exceptional gravity and solemnity.

No Quebecois could have witnessed it without feeling a certain emotion.

It is not often that a people are consulted directly on their political destiny. Many sovereign and democratic peoples have never had the opportunity to exercise their right to self-determination in so peaceful and civilized a manner.

To the extent to which this desire proceeded from genuine democratic concern, credit must be given to the Quebec Party for wanting to involve the Quebecois people directly in this process, and the government that has issued from it is to be congratulated for having respected its commitment despite the political risks which this undertaking represents for it.

At the same time, credit must be given to Canada, to its institutions, to its governments, to its people. It is one of the very few countries in the world that has such liberty, one of the very few federations to respect its constituent parts' right to self-determination, the freedom of each to separate politically from the whole after having woven an infinity of bonds of all kinds for more than a century.

Today, when the entire world has become aware of the question that the Quebec government intends to pose to its population, governments and peoples will be astonished that such an enterprise is conceivable, let alone possible, in a country where liberty is respected with such scrupulousness that a province which has the feeling of not being free enough is not prevented from withdrawing.

Many will envy Quebec. Many more will dream of Canada.

Cautiousness of Referendum Question

Montreal LA PRESSE in French 21 Dec 79 p A 7

[Article by Louis Falardeau: "Levesque Gives Assurances That No One Asked Him For"]

[Text] Quebec--The text of the referendum question made public by the prime minister yesterday contains just one surprise. And it is not so much finding in it the promise of a second referendum as seeing that the holding of it is no longer linked to failure of the negotiations.

The idea of a second referendum--or more precisely, a new consultation of the Quebecois--appeared in October 1978, when Mr Levesque let it be understood that there was no question of the government's proclaiming the sovereignty of Quebec unilaterally, in the event of failure of the post-referendum negotiations, without the citizens of Quebec being consulted again.

This possibility became a firm commitment in June of this year when the congress of the PQ [Quebec Party] modified the party's program in this direction. But here again, the idea of a new consultation was linked to failure of the negotiations.

The question published yesterday goes much farther, saying that "any change of political status resulting from these negotiations" would be submitted to the population by referendum.

Thus, if the negotiations fail and the government judges that it is nonetheless advisable to go ahead and declare Quebec's sovereignty unilaterally, it will have to ask the agreement of the people before doing so.

But if, on the other hand, the negotiations led to any agreement that necessitated a change of political status (and any agreement on sovereignty-association, even a minimal one, would meet this definition), then the government would have to hold a referendum all the same to have such agreement validated by the population.

One may ask what advantage the government seeks by promising this second referendum no matter what happens. It was perspicacious to promise it in the event of failure of the negotiations, so as to reassure the very numerous Quebecois who do not want sovereignty without association. They could vote "yes" in the first consultation, hoping that the negotiations would reach an agreement, while knowing that if they failed, the government could not impose sovereignty alone on them, since they would have the opportunity to say "no" in a second referendum.

This strategy functioned well in 1976, when those Quebecois who were federalists or sovereigntists but absolutely insisted on association could vote for the PQ without fearing that it would proclaim Quebec's sovereignty without obtaining permission for it by referendum. One understands why it is

inspired by the same reassuring, and on the whole very democratic, strategy in 1980.

But why a second referendum even if the negotiations succeed? Mr Levesque has said that he had never intended to ask for a blank check. But to consider oneself authorized to sign an agreement which one has a mandate to negotiate is not the same as asking for a blank check.

One might think that as a result of the latest polling of public opinion, the government decided to be as reassuring as possible, to the point of giving assurances that no one had asked it for. By so doing, it runs the risk of antagonizing the most radical partisans of independence, who will reproach it for diluting its position, for making the road to sovereignty more difficult and longer. And might they not fear that the government wants to reserve the possibility of negotiating an agreement that would fall quite short of its proposed one, even if—rightly—such a retreat had to be approved by a referendum?

This promise could lead to a situation as screwy as the following. The Quebecois say "yes" to the first referendum and the government negotiates, with an English Canada become complaisant, an agreement entirely in conformity with the proposed sovereignty-association. The Quebec government submits the agreement to a second referendum. And for one reason or another, it has in the meantime become so unpopular that the Quebecois say "no."

What is clear, in any case, is that the government is not asking for a mandate to carry out its proposal but simply to negotiate it. In the white paper published less than 2 months ago, it was said that an affirmative vote would be "a mandate...to bring about this new agreement by means of negotiations." Now, it will be necessary rather to speak of a mandate to negotiate a new agreement that would be put into effect only in the event of a new affirmative vote. This is really pushing the "democratic sense" so dear to Rene Levesque too far. And to give in this way more than the customer is asking for is not the best way to build a solid relationship of forces with a view to negotiations.

Ryan

On the other hand, the reaction by the leader of the opposition is surprising in its harshness. Why speak of "fraud" when the question is what was expected and the definition of sovereignty-association that it contains summarizes well the position that Rene Levesque has been defending for 12 years, and that has since been defined in greater detail?

One understands why Mr Ryan would have preferred the government to run off and commit suicide by asking the Quebecois whether they are for or against the political independence of Quebec. It is less easy to understand why he appears surprised that it has not chosen this way. It is not just since yesterday but rather for the last 12 years that Rene Levesque has been

fighting not for "political independence" but rather for independence accompanied by an association with the rest of Canada.

It should also be understood that the text that will appear on the ballot does not have the importance which appears to be given it. The length of the preamble, or the fact that there is one, will count for little at voting time. One runs little risk of being wrong in saying that the very great majority of the Quebecois will know before going into the voting booth whether they are going to say "yes" or "no," and that their reading (or non-reading) of the question will change nothing.

The question is important because it reveals the content of the government's referendum campaign. It tells us that what the government will propose is sovereignty-association as defined in the white paper, and not a tricked-out fake. But at the same time it tells us that, as in 1976, everything will be done to reassure the Quebecois.

One understands why Mr Ryan does not like the fact that the government is thus putting all the odds on its side, even at the cost of asking for a mandate with its content diluted. But it could well be that the question irritates the radical partisans of independence to that extent, and that the prime minister will lose on his "left" the support that he might have gained on his "right."

11267

CSO: 3100

KTO MEMBER SCORES COMMUNIST EFFORTS IN TFSC

Istanbul HERGUN in Turkish 28 Dec 79 p 9

[Article by Erhan Arikli]

[Text] Kyrenia, Cyprus -- Fellow idealists, as a Turkish Hearth soldier, I will try to explain to you the political situation in Cyprus.

The communists are playing darts in Cyprus today because of legal voids in the constitution. Almost all of the communist factions in Turkey are present in Cyprus also. They are given support and protection by certain parties and organizations, especially the RTP [Republican Turkish Party] and its general chairman, Ozker Ozgur. The "National Unity Party," which has a large majority in the Assembly, and the other so-called Nationalist Organizations have their hands tied against the anti-Turkish propaganda of the communists.

My fellow idealists, communist propaganda and activities in Cyprus rest on this basis: "All people are brothers, the Greek Cypriot and Turkish Cypriot communities, too, are brothers. But imperialist Turkey and certain imperialist powers have set these two brother communities against each other." What great insensibility and insidiousness is it that undertakes the material and spiritual torment which the Greek Cypriots have practiced on the Turks throughout the years and especially a Turkish massacre, when a priest, drinking a cup of Turkish blood ["to drink blood" is an expression meaning "to wreak vengeance"], says, "The more Turkish blood you drink, the greater your reward," and incites the frenzied Greek Cypriots to attack the Turks and bury Turks alive in Atlilar [Aloa] and Murat Aga [Maratha]. The Greek Cypriots who murdered thousands of Turks without regard to youth, age or wisdom, they proclaim brothers. My brothers, we will always consider what the Greek Cypriots did as torture. But according to the communists, "Peace will not come to the Island until the "Fascist Turkish army -- which runs everything -- withdraws, until imperialist Turkey takes its hands off Cyprus." Hearing these words, one would think it was a Greek Cypriot talking, not a Turk. Indeed, the communists defend the Greek Cypriot theses more vehemently than the Greek Cypriots. You may well ask, then, what the Greek Cypriot communists are doing. Last year, the Greek Cypriot Communist Party AKEL said: "Our struggle to drive the Turks from the Island will not end until the Greek Cypriot flag flies over Kyrenia."

My fellow idealists, the only Nationalist organization combatting the communists on Cyprus is the Turkish Cypriot Hearth [KTO]. This association's every activity and press conference meets with reactions from the Turkish Cypriot communists and the RTP, and they raise a fearful uproar just as they do in Turkey. When the Turkish Cypriot Hearth arranged an "Independent Turkish Cypriot State Night" four months ago, the Greek Cypriots reacted with a single bulletin while the RTP and the communists conducted nonstop counter propaganda for a week.

My fellow idealists, another important problem in Cyprus is the subject of education. Cypriot National Education is so bad that the curriculum has no class in national culture. Religion and Morals courses have been eliminated. In most of the schools, the weekly one-hour history course has no teacher. And not a single paragraph of Turkish Literature is taught in the literature course.

My fellow idealists, it is impossible to discuss all the problems, but I cannot conclude without touching on one more matter. The main issue in Cyprus today is the military problem. Certain circles want to reduce military service from 30 months to 18 months, and the communists are in strong support of this. As is known, Cyprus is face to face with hot war at every moment. In the Turkish sector, military service begins at age 15. This is a population problem. When the Turkish youths inducted into the military as fighters at age 15 complete their 18 months of service, there will be no one to replace them.

A void will thus automatically arise. And this would serve the purposes of the most belligerent Greek Cypriots. In fact, this military service reduction bill is nothing but a Greek Cypriot ploy. Thus it becomes clear whom the communists are serving.

God Protect and Exalt the Turk.

8349

CSO: 4907

TFSC REPORTEDLY PONDER'S SEPARATE CURRENCY

Istanbul GUNAYDIN in Turkish 21 Dec 79 p 5

[Text] Nicosia (Special) -- The TFSC [Turkish Federated State of Cyprus] wants to issue its own currency to keep reflections on the TFSC of Turkey's current economic troubles to a minimum, it was learned.

TFSC Prime Minister Mustafa Cagatay, now in Ankara for economic, financial and political discussions with the government, will reportedly get Prime Minister Suleyman Demirel's views and request aid on a TFSC currency and central bank, using the EEC report as a major rationale for a separate currency.

The EEC's Cyprus report points to the Turkish currency as the reason for the Turkish sector's failure to obtain foreign aid and says that it would be better from the standpoint of both foreign aid and foreign investments if the Turkish Cypriots issued a separate currency and also established a central bank.

8349

CSO: 4907

APRIL LAND ELECTION IN SAAR EXPECTED TO BE TIGHT RACE

Hamburg DIE WELT in German 4 Jan 80 p 3

[Report by Gysbert Dethloff: "Election on the Saar Becoming More Suspenseful Than Ever"]

[Text] Saarbruecken--For the Saarland, 1979 was a year of deepgoing change. While most of its approximately 1 million inhabitants were hardly taking any notice, in the last 12 months the economic and political switches were set for the next decade, partly even for the next millennium. At the same time the economic situation stabilized, though the Saarland still has the highest rate of unemployment among all Laender of the Federal Republic. But statistics without interpretation are liable to be misleading. More than 20,000 workers commute daily into the Saarland. This almost corresponds to the number of Saarland unemployed. As the year ended, the Saarlander hardly was any worse off than the citizens of other Laender of the Federal Republic.

Undoubtedly the politically most important date of 1979 in the Saarland was 26 June. That was the day of the death of Ranz Josef Roeder, who had served as minister-president over 19 years--longer than anyone before him. The last months of his political work had been devoted to the reform of the Saarland steel industry for the next 25 years and to reducing the domestic political confrontation by consolidating the coalition between the CDU and the FDP--currently unique in the Federal Republic. His successor, Werner Zeyer, appointed by the Landtag on 5 July, continued Roeder's policies without restriction. The Free Democrats thanked him for this at their Land party congress in December by renewing their stand for a coalition with the SPD. Their Land chairman, Minister of Economics Werner Klumpp, strongly supports the strategy agreed with Roeder and Zeyer: to continue to use the coal riches of the Saar for reforming the steel industry; to develop new technologies for the Federal Republic, but also for export, through the liquefaction and later also gasification of coal; and, through cooperation with Luxembourg and eastern France, to conquer for Europe's geographical heartland also the position of an economic and technological heartland.

In contrast with the SPD-FDP federal government, the SPD, in the opposition, has persistently refused to support these policies. Under its Land

chairman, Saarbruecken Chief Mayor Lafontaine, it appears to have taken the road from that of a big leftwing people's party to an ideologically determined cadre party.

On 27 April the people of the Saarland will elect their new Landtag. The election will be more suspenseful than ever. For one thing, the new minister-president of the Land, Zeyer (CDU), must conquer the voter's confidence. For another, for the first time in the history of the Federal Republic, the FDP is fighting for votes in a federal Land without the support of the Young Democrats, which definitely could have a positive effect on how the Free Democrats will make out. And, thirdly, the SPD calculates that it has a chance for the first time to become the strongest party on the Saar.

In doing so, it relies on the result of last year's municipal election in which it won 45.2 percent of the vote on a Land average--only 0.6 percent less than the CDU. If the SPD overtakes the CDU and the FDP (municipal election result: 6.5 percent) fails to make it over the 5-percent hurdle, Oskar Lafontaine will become Saarland minister-president. His dominant election campaign objective therefore also reads: "Destroy the FDP and blame its demise on Strauss." He would then be flanked by the Young Democrats, who reject a continuation of the government alliance with the CDU and want a coalition with the SPD.

8790

CSO: 3103

COALITION POSTURE OF FDP REMAINS SUBJECT OF SPECULATION

Bonn DIE WELT in German 5/6 Jan 80 p 7

[Article by Ulrich Lueke: "Three Kings Remain at SPD Manger"]

[Text] Bonn--As the Liberals are gathering in Stuttgart today under the signs of the Three Kings, the star showing them the way appears to have placed or at least changed its location. Look at it from whatever angle you will, the Liberals are entering the year of the Bundestag elections with stands closer to the CDU than only a year ago and they themselves are ready to admit.

Yet Genscher, Lambsdorff and Baum, the "kings" of the Liberals are intent on obscuring this apparent state of affairs, according to the motto: Different from the SPD, yes; closer to the CDU, no.

Party Chairman Genscher, involving himself increasingly in domestic politics, states that Schmidt and he are resolved also to insure the future viability of the SPD-FDP coalition. Minister of Economics Graf Lambsdorff thinks that "we probably would have a little more trouble" with the CDU," and Minister of the Interior Gerhart Baum "sees no points of contact as regards issues" with the CDU.

Is that really the case? Take foreign policy. Genscher's careful continuation of the policy of detente would be at least as easy to carry out with the CDU as in the present government coalition.

Take economic policy. Lambsdorff, 100 percent market oriented, probably could realize his concept more easily with the CDU.

Take media policy, an area which attained the rank of a key issue this past year. The comrades, who (with a few exceptions) have their sights fixed on the public corporation system, at least are creating the impression today that they are prepared to risk a row with the Liberals in this point. With Liberals, that is, who want to implement a mixed concept for the new media which also admits private industry and thus likewise is closer to the CDU than to the SPD. Even Minister of the Interior Baum, saddled with

the image of a leftwing Liberal, is making it clear to the Social Democratic chancellor that a ban of commercial television would be a breach of the constitution.

One could extend at will the chain of things the CDU and the Liberals have in common. From the pension policy to such sensitive areas as the right to transplants to residential building.

Even supposed areas of conflict have been defused. Of course, the CDU attacks Baum's data protection policy and radical democratic constitutional policy, but these would not be insurmountable obstacles. The CDU wants data protection, and Baum has long since started to stress security policy again.

In another field, Genscher has long since drawn lines of compromise in educational policy. For example, the comprehensive school is all right, but only if that is the wish of the parents.

Are these common features only tactical stands, or is there something more back of it? One thing is clear: the election day demands a Liberal dissociation from the SPD. Only among the voter potential between the CDU and the SPD--precisely in the proverbial center--can the FDP gain the votes to lift it above 5 percent. Liberal elbowroom with Social Democratic approval, as it were, in the simple realization that it is only together that the SPD and FDP can remain in power, and thus enter into a 12th joint year. Previous Liberal fears that the SPD might be able to prevail by going it alone have been tabled, not least because of the Greens.

Now matter how often it may be denied, the realization that the chancellor needs the FDP to put across his policies in his own ranks remains correct even after the Belin party congress of the Social Democrats. In contrast with the FDP, basic differences of opinion (nuclear energy, defense) have not been buried.

Thus the things the CDU and FDP have in common conceal the true situation. The FDP sees no reason to change coalitions--in the foreseeable future. No Liberal party leader can dare make the change without risk, because the party base would not play along, and the danger of losing one's existence is overpowering. A majority of FDP members and voters are unconditional supporters of the SPD-FDP coalition. And this is something no Liberal leader can get around. Unless the domestic political situation were to tense up dramatically. Theoretically, it might be a change from Federal Chancellor Helmut Schmidt to Chancellor X. But the names being mentioned in this connection (Apel, Matthoefer, Vogel) do not as much as give an indication of where there might be a conflict.

It could happen, theoretically, in the legislation changing the old-age pension provisions. But in this point as in all others, the party of Helmut Schmidt will guard against providing a cause for a breakup of the coalition.

Thus what remains as the bottom line is proximity to the CDU as regards issues or proximity to the SPD in party politics, and as yet the sound of a little bell ringing for a coalition cannot be heard--not in the direction of Albrecht either. Nor is this contradicted by the coalition-politics contortions of the Liberals, who in the Saarland want to be in coalition with the CDU, in Baden-Wuerttemberg with no one and in North Rhine-Westphalia with the SPD. And nevertheless provision has been made for an X hour, with the differences concerning issues and the varying statements on coalition amounting to more than election tactics. An open FDP, not in a higher sense but certainly in a later one.

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CDU-FDP COALITION CONTINUES BEING MOOTED IN RHINELAND-PALATINATE

Bonn DIE WELT in German 5/6 Jan 80 p 4

[Report by Axel Kolleyer: "CDU Is Threatening To Mobilize Together With FDP"]

[Text] Mainz--Now politicians too for one weekend a month belong exclusively to their families. What SPD Chairman Willy Brandt proposed at the federal level has been put into practice by Minister-President Bernhard Vogel (CDU): starting in January 1980, there will be one "weekend free of politics" every month. Seldom have the three parties represented in the parliament in Mainz slid into a new year as united as this time.

"On Sundays Daddy belongs to his family." With this slogan sounding in its ears, the Rhineland-Palatinate CDU many years ago already had opened its Land party congresses on Fridays and closed them as early as Saturday afternoons. Now the SPD and FDP too are pursuing an active family policy. "I hope this does not take care of family policy promises in our election campaign," a sociopolitically committed CDU backbencher remarked sarcastically.

Others talk of a success. In the past, when Helmut Kohl was still minister-president and Heiner Geissler was minister for social affairs, Rhineland-Palatinate would rush ahead with "model laws" exciting nationwide attention. Now the Office of the Minister-President in Mainz is making itself heard in similarly euphoric tones, saying that Vogel's proposal "has become reality in Rhineland-Palatinate as the first Land in the Federal Republic of Germany."

A sign of human ties? As late as election night 18 March 1979, when it became apparent that the CDU had lost some votes, the SPD's top candidate, Klaus von Dohnanyi surmised that "the CDU will now have to become more conciliatory." "Together with the FDP" (Dohnanyi's regular way of pocketing the Free Democrats) it had been possible to cut the CDU back and push it to the brink of ceasing to be the party in power.

"Mr Comrade" time and again points out that the CDU now has "only 51 of the 100" seats in parliament, compared with the previous 55.

For the SPD the result became an experience to be cherished, on which it is feeding to this day. Those benefiting from the situation are the 15 newcomers to the party in parliament, which comprises 43 deputies. Its head, Werner Klein, says approvingly that they have brought new life and a great deal of good will to the parliamentary work.

As yet the top rung in the CDU is not getting nervous over this, but meanwhile Bernhard Vogel, as Land chairman of the CDU, has also come to realize that "what is needed is to mobilize the party."

Vogel wants to attack, not limit himself to defense. The party wants to arouse and rearm itself with specialized conferences and intensive work in district associations. "Beware of adiposity," warned a Christian Democrat versed in government.

If need be, one threatens with the FDP. Would it not rather enter into a coalition after all? "If there is no other way, to work with the CDU is a possibility," taunts a prominent Free Democrat. He is not the only one to regard the FDP Land chairman's reference to the party congress decision not to enter into a coalition with a partner enjoying an absolute majority as too formal.

The 50.1 percent of the CDU are a tough nut for the FDP to crack, but the next party congress is bound to come. Perhaps, some FDP people in Mainz say, there will be some "Free Democrats capable of learning," after all, who under these conditions could see a point in a CDU-FDP Land government. Saarland FDP head Werner Klumpp (a partner of the CDU in the Saarland government), it is true, was premature in recommending a uniform southwest German CDU coalition line to his party colleagues. The Mainz FDP rejects this--as yet.

Werner Danz, the chairman of the FDP in the Landtag, stated in no uncertain terms: "No coalition in the opposition!" A government coalition was not ruled out by him equally unequivocally: he did not mention it at all. The CDU, he said, now can only still "rule or react with the barest majority imaginable." Danz as much as provoked the question as to whether the FDP in Mainz is meanwhile getting ready to present itself as the savior of the ability of the CDU to remain in power.

On the other hand, the FDP has contributed to the ouster of one of the ministers. Justice Minister Otto Theissen had to leave his post after the SPD and the FDP had jointly beaten the drum against him. This, however, has not yet caused the Vogel government to totter. "The pressure from outside has consolidated the government," confirmed a member of the government. There do not seem to be any changes in ministers in the offing.

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WISCHNEWSKI OUTLINES SPD'S CAMPAIGN STANCE TOWARD GREENS

Bonn DIE WELT in German 4 Jan 80 p 2

[Report by Gottfried Capell: "Wischnewski Thinks Greens Have Many Good Points--SPD Deputy Chairman Calls on Party To Differentiate Among Ecological Movement"]

[Text] Bonn--The SPD federal deputy chairman, Hans-Juergen Wischnewski, in Bonn yesterday announced a critical confrontation with the multilayered question of the Greens in the Federal Republic. At the same time he called for measures against the increasing listlessness toward parties which also concerned his party.

Basically, Wischnewski said that "if the Greens establish themselves as a party, they will be fought as a party lending support to Strauss with its behavior." There was however, no such thing as the [in italics] Greens; rather they had to be divided into four groups in all.

First, there were the "honest Greens," who supported a maximum of environmental protection. With them the SPD was prepared to talk. At the same time, however, the Social Democrats would have to try harder than in the past to point up what in fact had already happened in this field. Secondly, there were the protest voters who altogether had misgivings about the parties established in the Bundestag. Thirdly, there were the "submarine riders," who actually were communists merely on the lookout for a "colored hiding place."

Finally, there was a group which had settled "very far to the right" and was not far removed from the idea of "blood and soil." Certainly with the first and the second group the SPD would have to seek a dialog. The party had to strive to talk these groups out of running as political parties in the Bundestag election campaign.

Evidently in an effort to enlist the support of the second group, Hans-Juergen Wischnewski wants to develop concrete measures, first within the Social Democratic Party, against the listlessness toward parties which was noticeable in general. In doing so, he thinks, five points of view are decisive:

--The citizen demands "greater honesty" in politics. The need for this has never been so great.

--A maximum of economy is being demanded of politics as a whole and especially of the parties. The citizen rejects any resort to the state treasury.

--Substantive discussions within the parties are no superfluous argument. They are part of the necessary liveliness of democracy.

--The merit principle has to continue to be observed in filling vacancies.

--The forms of political confrontation between the political parties have to remain within substantive bounds.

Wischnewski therefore repeated his party's proposal that an independent body of arbitration headed by an independent chairman be created as part of an election campaign agreement. The former representative of the Lutheran Church with the federal government Bishop Hermann Kunst, Wischnewski said yesterday, has not yet made up his mind on whether he would assume such a chairmanship. Wischnewski said yesterday that so far Kunst had merely been informed about such a plan by the two coalition parties.

Such an office of arbitration, Wischnewski thinks, would carry great moral authority by being able publicly to censure derailments. Wischnewski said that there was a "better than 50 percent" chance that an agreement would be concluded. Even before the end of this month the general secretaries or federal executive managers of the federal parties would once more consult about an election agreement.

According to the ideas, of the SPD the commission of arbitration is to consist of an independent chairman and one representative each of the Bundestag parties. The party representatives are to be experienced politicians who however are no longer active in the business of politics. As for the SPD, someone like former Finance Minister Alex Moeller was a possibility. Unacceptable to the SPD, however, is a CDU/CSU precondition of such an agreement according to which the party is to forgo an election campaign within the walls of enterprises. Concerning this there exist provisions of the Labor Management Act, Wischnewski said.

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NORTH RHINE-WESTPHALIA JUSO'S PLEDGE COOPERATION WITH GREENS

Bonn DIE WELT in German 7 Jan 80 p 4

[Report by Peter Weigert: "JUSO's Want To Change SPD With Help of 'Greens'"]

[Text] Duesseldorf--Young Socialists in North Rhine-Westphalia aim at an open challenge against Federal Chancellor Helmut Schmidt's "nuclear energy policy" and at close cooperation with groups of the "Greens" or "Alternatives." It looks like there will be a majority at a Land congress of the North Rhine-Westphalian Young Socialists in Cologne this coming weekend for proceeding openly against the decision of the federal SPD congress on the question of nuclear energy.

A resolution submitted by the Young Socialists in the largest SPD district, Western Westphalia, states that "the decision on energy policy reached by the SPD in Berlin constitutes one of the most important mistaken decisions," and "the JUSO's will not advocate the federal party congress decision in the coming election campaigns."

"In matters of nuclear energy, there must be no retreat for the Young Socialists," states a proposal by the Remscheid JUSO's. These represent the position of the Lower Rhine District, whose chairman, Ditmar Gatzmaga, declared openly as long as ago as after the North Rhine-Westphalian municipal elections last October that the SPD must change its nuclear energy course in favor of the "Greens." Otherwise it would find itself on the opposition benches after the elections. The two districts of Lower Rhine and Western Westphalia represent a strong majority at the JUSO Land congress and can also figure on the support of opponents to nuclear power from the two smaller party districts.

"It is a question of gathering all forces rejecting nuclear energy," the proposal of the Remscheid JUSO's states. The draft resolution of the Western Westphalian District notes concerning this that the JUSO's have "the task of a link between the traditional workers movement and the ecological workers movement." One must not lose sight of the aim of a "fundamental change in the SPD" even if the hope, widespread 10 years ago, "to be able to bring about a democratic-anticapitalist upheaval of society" now had given way to a "basic attitude of resignation."

"The opponents of nuclear energy," it is stated further, "had never been as strong as they were in Berlin." Now it was a question of making sure vis-a-vis the "Greens" that "the two movements (did not) obstruct each other." The confrontation in the direction of a "socialist upheaval" would have to "occur by grasping the ecological problem in Marxist terms." The possibilities for the JUSO's to change their own party in cooperation with the "Greens" "definitely exist." If this opportunity was utilized, the phase of "backroom socialism" would be at an end.

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FRG FARMERS' SPOKESMAN DISCUSSES EEC FARM POLICY

Hamburg DER SPIEGEL in German 7 Jan 80 pp 24-28

[Interview with Farmers Association President Constantin Freiherr Heereman by Heiko Martens and Hermann Bott of DER SPIEGEL about farm prices and overproduction: "'It Has To Be Tackled Properly'"]

[Text] SPIEGEL: Mr. Heereman, not long ago the commissioner for agriculture in Brussels, Finn Olav Gundelach, calculated that the European Community is going broke. Brussels has already temporarily suspended payments, and the European Parliament rejected the 1980 draft budget because of the high agricultural costs. Will the farmers have to put up with a price freeze?

Heereman: Under no circumstances. We will also need price rises in the spring of 1980. No one can expect us to put up with losses in income while others make double-digit demands.

SPIEGEL: Do you intend to compete with Mr Kluncker of the OeTV [Public Service, Transportation and Communications Union]?

Heereman: I don't care to do that. In the past few years German agriculture--represented by the German Farmers Association--has acted very responsibly. We have been the most important factor contributing to the low rates of inflation.

SPIEGEL: No price freeze, then, with EEC agricultural costs rising further?

Heereman: It really is a joke how cheap agricultural products are. In the past, 40 to 45 percent of the monthly household budget used to go for food; now only 20 percent does.

SPIEGEL: You are making it too easy for yourself. This year the EEC alone is spending almost DM 30 billion for agriculture, and billions are being spent in subsidies in the Federal Republic--all of its money raised by taxpayers. Surely we also have to take this into account when it comes to low market prices.

Heereman: That is true. But then one also has to figure in the billions that we are saving the population. We are preserving the environment and the land developed by man.

SPIEGEL: Ecologists are demanding more fallow land instead of cultivated fields.

Heereman: Yes, ecologists demand a lot that is not feasible. But they themselves ride in fat automobiles through the countryside, heat with oil, pollute the air. If they were to go by foot for a change, if they were to go through the countryside with knapsacks on their backs, it would be easier for me to talk with some of the dreamers.

SPIEGEL: The fact is that, on the average, expenditures for the European agricultural market have risen almost 25 percent in each of the past 3 years. Brussels has reached the end with its funds. And yet you want to add some more in the spring?

Heereman: I do find it a bit much for agriculture time and again to be used as a whipping boy and for no one every to recall what actually has been anchored in the EEC treaty and in the German Agricultural Law--namely, that farmers in the Federal Republic and in the European Community are entitled to a suitable income.

SPIEGEL: How much more would then be suitable now?

Heereman: We assume that whatever costs are caused by inflation are offset approximately.

SPIEGEL: In other words, 5 percent?

Heereman: We have not yet made the final calculations. But one thing I can say already: we certainly will not demand anything impossible or indefensible. Nor have we done so in past years.

SPIEGEL: But even moderate rises can no longer be paid by the EEC. Except if the European heads of government were to be ready to pay still more into the common treasury. And it does not look like they will be.

Heereman: It does not always have to be money. It would be enough if we came up with reasonable saving system.

SPIEGEL: "If" probably is the operative word there.

Heereman: Yes, because everything has to be pulled through with eight partners.

SPIEGEL: What is it that you would propose?

Heereman: In case of one or the other product--particularly milk--we have genuine surpluses far exceeding what is necessary in the way of reasonable stores. We have to reestablish the market equilibriums. That is something people really ought to realize quite clearly at long last. The Food Ministry has our proposals, and Brussels has had them for as long as 5 years. But nothing happens.

SPIEGEL: What ought to happen?

Heereman: For a start it is necessary to promote sales.

SPIEGEL: That means that Europeans, who generally eat too much as it is, should eat even more. Every second German is overweight...

Heereman: ...That is what the statistics maintain. I don't think that milk is what makes people fat.

SPIEGEL: Should they perhaps drink less beer and more milk?

Heereman: No! What do you mean? The beer sector is also of interest to us. We sell malting barley and hops. And greater sales, after all, do not only mean greater domestic consumption; we can also increase exports.

SPIEGEL: Of course you can export, but only with billions in subsidies, because prices here are much too high.

Heereman: We can still do quite a bit within Europe. Meanwhile, of course, our exports of cheese to France are greater than what we get from France.

SPIEGEL: The expensive surpluses are being produced in the EEC as a whole. It does not do any good at all there for you to roll the cheese back and forth.

Heereman: Therefore, beyond that, we do want to tax the producer for part of the excess production.

SPIEGEL: When the European demand is covered 100 percent, the producer would have to pay a penalty for any excess production above that 100 percent?

Heereman: Quite so; except that I would not start with 100 percent. We need something in reserve--say, 5 percent.

SPIEGEL: For milk there already exists such a tax. It amounts to 0.5 percent and brings in DM 90 million. At the same time the EEC this year has poured out DM 12 billion in milk subsidies. Such laughable taxes will not stop the stream of milk.

Heereman: It has to be tackled properly. For genuine overproduction the price ought to be halved. Then the price could be raised for the amount in demand without the state incurring any additional costs.

SPIEGEL: Mr Heereman, you can only demand that the price for overproduction be halved, can't you, because you know full well that it cannot be implemented. Else your days as president of the Farmers Association would be numbered.

Heereman: The market equilibrium must be established--and I also say so at all farmers meetings. And that can work only with such a high tax.

SPIEGEL: We already have a quota system for sugar beet: for the surplus, the farmers receive less, oftentimes only 70 percent of the guaranteed price. Nevertheless sugar beet production rises continuously; apparently nothing much can be done via prices.

Heereman: Then further measures have to be considered. For example, one could impose a complete investment freeze in the critical sectors in all EEC countries for 3 to 5 years.

SPIEGEL: How is that supposed to be done?

Heereman: No more support as long as there is no market equilibrium, as long as too much is being produced.

SPIEGEL: You want to eliminate inexpensive credits, for instance?

Heereman: For the sphere of surplus, yes. But there is one other thing I must point out. We certainly cannot be blamed for all that is going wrong in the European agricultural market. The sugar beet market, for instance, worked until the EEC undertook in the Lome agreement to take an additional 1.3 million tons of raw sugar from the developing countries.

SPIEGEL: You cannot turn the EEC into a freely floating institution...

Heereman: ...We do not want to do so.

SPIEGEL: Countries living off agricultural production are dependent on the export of foodstuffs. Some countries have already threatened that they will stop supplying the EEC with raw materials if it stops taking agricultural products from them.

Heereman: We are the biggest importer of agricultural products in the world...

SPIEGEL: ...Because there are no bananas growing in East Friesland.

Heereman: Import restrictions exist all over the world. The others too protect their farmers. But no one can discuss our high imports out of existence.

SPEIGEL: We import cacao worth DM 1 billion a year...

Heereman: ...You cannot peg it all on cacao. You have to take soybean; you have to take cassava. These are products that are coming in here in increasing volume. These are products we have to tax because they are pushing out domestic products. If we were to use skim milk products instead of soybean for fodder, you would right away have one mountain fewer in Europe.

SPEIGEL: But you have just praised the very liberal attitude of the EEC, and now you want protection again.

Heereman: The Community has a preference for its own products. And we simply have to put our markets in order.

SPEIGEL: Which one in addition to the milk markets?

Heereman: Sugar. But that probably will not be all that much of a headache since world production is on a great decline. Certainly, when they become members, Greece and Spain will have ever-increasing problems with wine.

SPEIGEL: Particularly with the system the people in Brussels have come up with. Part of the production is processed into syrup, with which the rest of the wine is then sweetened. This syrup is umpteen times more expensive than the previously used sugar beet.

Heereman: But we also have a decision which is to be welcomed. The vineyard acreage must not be increased any further.

SPEIGEL: In turn the vines are bearing more and more.

Heereman: Well, it would be a bad thing if they didn't. Somewhere we do have to show that we have increases in production.

SPEIGEL: Even greater ones than in industry.

Heereman: We are tops as far as productivity is concerned. Even for that we are being taken to task. Ten years ago they reproached us saying: You are so backward, so dumb, you live in the boondocks; why don't you look at modern production methods in the United States or elsewhere? Now we have them, and now the word is: You are producing too much.

SPEIGEL: Our farmers are indeed tops; particularly in overmechanization. They have more combines and tractors per hectare than other Europeans or the Americans, and they also pour more chemical fertilizer on their fields.

Heereman: One or the other machine could be used better communally, for instance in machine pools--something I and my association have said for years. But our investments also insure jobs.

SPIEGEL: The share of agricultural machine production in all of machine-building is 7 percent, and of that half is exported.

Heereman: Seven percent surely is better than nothing. Why don't you ask the agricultural machine manufacturers how great their interest is in us?

SPIEGEL: The chemical industry's interest in you is even greater.

Heereman: I know you don't have much in mind for the chemical industry. We only replace the mineral resources the plant is drawing from the soil.

SPIEGEL: Which is quite a bit.

Heereman: As far as the amount provided is concerned, we are not yet in the lead by any means. There is definitely more in that as yet.

SPIEGEL: It all costs energy. To produce a ton of nitrogenous fertilizer requires a ton of crude oil. For the overproduction of sugar alone, 1.2 million tons of oil are consumed in the EEC.

Heereman: In terms of individual amounts-of-tons calculations, the picture is of course fantastic. On the other hand, you should point out what we produce by way of energy. The bottom line shows a positive energy balance.

SPIEGEL: But only if all the dung is processed.

Heereman: We are now starting with that. There is certainly a future for Bio gas and such.

SPIEGEL: Mr Heereman, is not the attempt to conduct an incomes policy via prices mistaken? Are you not afraid that this whole system will collapse one day and that your farmers will then be hit all the harder?

Heereman: Once we get rid of the nonsense in this agricultural market, once we stop, for instance, giving a bonus for slaughtering animals, on the one hand, and a bonus for coming up with some, on the other, I am sure it need not come to a breakdown.

SPIEGEL: Minister of Agriculture Ertl's State Secretary Georg Gallus thinks that 200,000 rather than 800,000 enterprises in the Federal Republic would be enough. And there are some agricultural scientists who go down as low as 100,000.

Heereman: If Mr Gallus thinks that in the future we will need only 200,000 enterprises in the Federal Republic, why doesn't he go ahead and say so out there on the spot?

SPIEGEL: He has done so.

Heereman: Then he is not following the line of his minister, and certainly not ours. We want to maintain as many small and medium farmers family enterprises, not only for reasons of agricultural production but for reasons of structural, environmental and social policy. After all, in the whole agricultural policy it is a question of making policy for man and for families.

SPIEGEL: In the Federal Republic 170,000 farmers produce three-quarters of the entire net agricultural yield. The problem really is that every supplementary-income farmer is maintained on the soil through subsidies.

Heereman: Many years ago I opposed the statement that anyone who wants to remain a farmer can remain a farmer. I said that anyone who really has a genuine opportunity in the market can remain a farmer. We have gone through the most brutal kind of agricultural change. Annually more than 100,000 people have left agriculture.

SPIEGEL: But those were not proper farmers any longer.

Heereman: I count a sideline farmer as a full member in my organization.

SPIEGEL: Including, for instance, the publisher Axel Springer?

Heereman: Yes; and why not? Mr Springer and Her Majesty in England, who of course also has some agricultural enterprises.

SPIEGEL: The many sideline farmers really only take the land away from the regular farmers.

Heereman: One cannot put it that way. There are some people in our profession who claim that sideline farmers are unfair competitors in agriculture. This is not so. We figured out at one time what their share in production was. In the Federal Republic it is 13 percent. You are right in one respect: many fulltime enterprises are too small. And I have wondered whether, if that keeps going on, we will not have to establish regulating factors here as well.

SPIEGEL: Do you intend to expropriate?

Heereman: We ought to think about whether for period we should not put farms where there is a need for replenishment. I propose this although it is my innermost conviction that ownership of the soil must remain freely disposable.

SPIEGEL: Mr Heereman, you complain about everyone finding fault with agriculture. Is that not perhaps the result of your successful lobbying? Are farmers perhaps doing too well?

Heereman: Heavens, no. We have a small number of enterprises which have reached the required level, which also are well above it. They don't worry me. What worries me is the 75 to 80 percent of member enterprises of our association which do not yet have comparable incomes.

SPIEGEL: If you want to continue to attain higher incomes via higher prices, this benefits primarily the big farmers, such as Prince Moritz of Hesse, the Duke of Schleswig-Holstein and probably also Baron Heereman of Zuydtwyck.

Heereman: Why don't you then ask my associates why they are in fact still with me?

SPIEGEL: Because you are a nice fellow.

Heereman: That's what you think! It is because with me they earn their living for themselves and their families. If you [words dropped in conversation or in print] in an enterprise with outside workers (and you have just named some sizable enterprises, for this is the in-thing to do today, because then one can inject a bit of class struggle while one is at it), you should go ahead and investigate what then really remains. I would be glad to show you my books at home to see whether that is really desirable.

SPIEGEL: The class struggle surely is taking place within your association, Mr. Heereman. You cannot really maintain in all seriousness that there exists an identity of interests between poor farms and large-scale enterprises.

Heereman: There exists an indentity of interests insofar as the small and medium enterprises make up the great majority of members of our association.

SPIEGEL: Minister of Agriculture Ertl, the doyen of ministers of agriculture in Europe, lately warned about the danger of agriculture becoming increasingly isolated. He said that if there was no money left in Brussels there would be "an end to this agricultural policy with all its consequences." And Ertl does not know whether it will long continue to be desirable "to be minister of agriculture here." Are the fat years coming to an end?

Heereman: There have been no fat years as yet. There has been a positive trend in agriculture, for various reasons, and that really was urgently needed. But as for the problems getting bigger, I quite agree with the minister for agriculture.

SPIEGEL: Would you nevertheless be prepared, as you were before the last Bundestag elections, to be put up as the CDU/CSU candidate for the office of minister of agriculture?

Heereman: I have made it quite clear that this is not a question for me at all; it is one decided by the respective head of a federal government--the federal chancellor, in other words. And as yet such a situation does not exist.

SPEIGEL: But you would be interested in the job?

Heereman: There I have to say no, because there I agree with Mr Ertl that there are more attractive things...

SPIEGEL: But you would go ahead and do it?

Heereman: I am sticking to what I said many years ago: it would really be very unfair for the head of a lobby to make proposals for changes to a government, to the minister of agriculture, and then to say, "I won't take the job, though; let someone else do that." That I consider unfair. To this extent, the head of a lobby too must be prepared also to sit down at the other side of the table.

SPIEGEL: Thank you for this interview, Mr Heereman.

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METAL, PUBLIC SERVICE TRADE UNIONS SET WAGE DEMANDS

Hamburg DER SPIEGEL in German 17 Dec 79 pp 24-25

[Article: "To Venture a Dance"]

[Text] Following the lead of Metalworkers Union Chief Loderer, Kluncker, chairman of the Public Service, Transportation and Communications Union, is demanding 2-digit pay increases as well.

Tuesday evening last week, Heinz Kluncker, the portly chairman of the Oeffentlich Dienst, Transport und Verkehr (OeTV) [Public Service, Transportation and Communications] union, was quite cheerful. "Let's venture a dance," he told his colleagues who were meeting in the Bonn facilities of the Bank fuer Gemeinwirtschaft.

Kluncker's followers understood the meaning of it: This time employers in the public sector are to be presented with sizable demands; in 1980, following years of moderation, negotiations will be tough.

After listening to strong statements, union representatives for public service unions were told what their demands should be in the opinion of the powerful chairman Kluncker:

--a 9-percent increase in wages and salaries for everybody, but at least DM 180 and

--an increase in vacation leave to 30 days per year for everybody.

Kluncker made sure that there was no doubt about his intention that he will fight for more pay and more time off. Both demands, he stated loudly, are "of equal value and importance."

The unions have not yet calculated the exact amount of the cost of the Kluncker combination. It is certain, however, that the demands will add at least 10 percent to the cost of labor and employees in the public sector.

This means that government employees are making exactly the same demands as were presented last week by the Metalworkers Union.

On Thursday, a few hours before Kluncker's OeTV meeting, Metalworkers in Baden-Wuerttemberg decided to demand increases in wages and salaries totaling 10.48 percent. This is just barely below the 10.5-percent ceiling which had been established by the Frankfurt Metalworkers Union on Monday as the upper limit for wage demands.

The 2-digit number submitted for negotiations by the Metalworkers indicates that they are aiming for an agreement that should definitely not be below 7 percent. Metal-industry employers are just as firm in their opinion that increases exceeding 6 percent are unreasonable.

Just as in the case of the Metalworkers, it is certain that the struggle involving wage percentages for civil servants will be fought more tenaciously than was the case in previous rounds of negotiations, because wage settlements beyond 7 or even 8 percent would prevent even the modest reduction in the debt planned for next year and cause considerable complications with regard to the tax reduction intended for the year after next.

As a consequence, Kluncker made an honest effort during the Bonn meeting to prepare his troops for the fight. The "battalions" must be mobilized, he proclaimed on several occasions; and to those who hesitated he said that a labor struggle must not be suspended because it is an election year.

The memory of the strike by public employees in 1974, which gave Kluncker the reputation of having contributed to the downfall of Chancellor Brandt, does not seem to frighten the OeTV chief.

Some colleagues of Kluncker's felt that the demands were rather modest.

During the Bonn meeting which, in addition to OeTV representatives, was also attended by functionaries from other civil service unions, Gustl Fehrenbach, deputy chairman of the Postal Workers Union, complained that OeTV Chief Kluncker had failed to make demands in the area of property formation.

The answer by the OeTV leader to the postman was: "If you think you can get mobilized, do it before Christmas." Because: "After all, currently packages are stacked as high as the ceiling."

8991

CSO: 3103

PRICES, PROFITS RISE FOR STEEL INDUSTRY

Hamburg DER SPIEGEL in German 17 Dec 79 p 69

[Article: "Scramble for Every Ton"]

[Text] Order books are filled, prices are rising: German steel producers are again making money.

Ernst Pieper's most important wish for 1980 is of a prosaic nature. "I hope very much," the chief of the Salzgitter steel concern says, "that our furnaces will yield profits next year as well."

The wish might be fulfilled, because for the first time since the steel crisis which began in 1975 and caused heavy losses for producers over a 4-year period, the furnaces on the Rhine and Ruhr are again producing at the same level as they did in former and better days.

Already last summer German foundries were not able to keep up their production. Order books had been pretty well filled since March, but since the labor force had been reduced by approximately 14 percent because of the slowdown, steel producers could not use furnaces at their full capacity.

Nobody in the industry had been prepared for the sudden order boom. Even at the beginning of the year reduced hours were still common. A few months later the scramble for each ton of raw steel began.

To date, domestic orders for this year are 10 percent higher than they were in 1978. Also, particularly orders placed by customers in EC countries were above the average.

Strikes in Italy and France that lasted for weeks had created a shortage of steel and steel products. Consequently, buyers from the neighboring countries were thronging to German markets in spring.

For the second quarter of this year alone, customers from France, Belgium and Italy bought approximately 20 percent more steel from Thyssen, Krupp, Kloeckner, Hoesch and Salzgitter than they did during the first 3 months. And in July, August and September their orders were again 7 percent higher.

The strong increase in the demand was responsible for creating the third-highest output of all times for German steel plants; they produced approximately 46 million tons of steel. Only twice did they fare better, during the 2 record years of 1973 and 1974 with 49.5 and 53.2 million tons respectively.

In general, steel industry officials are also satisfied with the development of prices and earnings. Whereas domestic price increases averaged a rather modest 10 percent, steel companies were asking up to 30 percent more on foreign markets. And for the first quarter of 1980, steel concerns managed to conclude export agreements at new record prices.

For sheet metal German exporters are currently asking DM 690 per ton, which is almost DM 90 higher than a year ago. Round bar steel was increased by DM 95 to almost DM 590, steel wire approximately DM 130 to DM 640 per ton.

Steel plants on the Rhine and Ruhr, for instance, owe their move to the profit column above all to the brisk demand from abroad. The Rhine-Westphalia Institute for Economic Research in Essen has confirmed that "the price increase on international steel markets has also had a full effect on the earnings in the German steel industry."

For the time being, however, shareholders will not get to see much of these earnings. Most of the companies want to first of all make up for their losses during slow years before considering distributions of dividends.

In 1977, Thyssen and Kloeckner, who at the beginning of the 1970's were still among the leading earners in German industry, suffered losses of between DM 61 and DM 260 million in steel production. Altogether, plants produced only 39 million tons of raw steel in 1977.

Not long ago Thyssen Chief Dieter Spethmann complained that it will "take years" for many companies "to make up" the reverses suffered because of it. Particularly, when considering their competitors in neighboring European countries, West German producers find themselves at a big disadvantage. "Things are just much easier for them than they are for us," Salzgitter manager Pieper stated.

As a matter of fact: In France, for instance, the five most important steel combines simply transferred the biggest share of their debts to the government. In Great Britain the treasury must bear the entire loss of the nationalized British Steel concern which has already climbed to DM 5 billion. Belgium will finance almost all investment programs for steel foundries during the next few years.

"It is very difficult for us to compete with taxpayers," Wilhelm Scheider, chief of the Friedrich Krupp steel plant in Bochum complains. Consequently, even the export successes of the year which is about to end is met with scepticism.

In addition, domestic developments are also contributing to the fact that the German steel industry is not approaching the New Year without complaints in spite of thick order books and rising earnings. Price increases for ores (approximately 30 percent) and the approaching wage negotiations in the steel industry are causing concern among these companies. Moreover, the slowdown in automobile sales could soon have a negative effect on the demand for sheet metal.

In order to keep up the good spirits of his colleagues, Otto Wolff von Amerongen, a steel trader in Cologne, just recently surprised the plant managers with a Christmas package: a chocolate Santa Claus and the dice game "Parcheesi."

8991

CSO: 3103

COMMENTATOR DISCUSSES DEFEAT OF STALINISTS IN STUDENT VOTE

Helsinki UUSI SUOMI in Finnish 9 Nov 79 p 2

[Article by Veli-Antti Savolainen: "Youth Accuses Stalinists!"]

[Text] The Communists were dealt a blow in the university student elections as well as in the Metal Workers Union. In fact, for the first time in this whole decade.

It was particularly strange that the greatest losses in the university student elections were incurred by the Taistoite Stalinist youth, who have for a decade disturbed the comfortable sleep of the rightwing forces.

Even though all political persuasions suffered losses, it was most significant that the Taistoites suffered the most losses.

The Socialist Students League lost 10 places and even the more moderate Communists lost five places in the university student bodies.

When one adds to this the blows dealt to the Communists in the metal elections, these losses can be considered a source of rejoicing for those Finns who oppose communism.

I know that this demonstrates a certain amount of civic courage to say this since Taistoite propaganda has over this decade succeeded in equating anti-Communism and enmity for the Soviet Union as if they were the same word.

This, of course, is not the question, this is well understood by our friends in the Soviet Union. Opposition to those who bluster domestically does not mean that we should be just as friendly in our relations to the East.

"Chairman Yrjo Hakanen of the Socialist Students League, which lost in the elections, considers that the rightwing advanced under the guise of the independents," stated ILTA-SANOMAT on Wednesday. This explanation was expected and attractive from the point of view of the Taistoites.

What is amusing in this is that they themselves built their race in the elections on independent election alliances thus attempting to hang onto past positions.

In the university student elections it was a question of a phenomenon which can be predicted to spread to other sectors of society in the near future.

People are getting tired of developments in the parties. The Taistoites, who have gone the farthest with their word magic and struggle, suffered their first defeat because of excesses in the past. But others will follow.

In fact, the first sign of a defeat for the Taistoites was seen in its youth policy when the Teenage League was overthrown, but now the university students are coming behind.

Their situation will not at all be helped by the use of accusations and name-calling. The time of word magic and the raising of feelings of guilt are over.

As a last ditch effort the Taistoites will dig up a martyr complex and having clothed themselves in it will attempt to gain crumbs of support from sympathy and pity.

But even this will not succeed if we no longer listen to people such as the Conservative Party's Sinikka Karhuvaara, who has been labeled as Communist sympathizers. At a meeting of Conservative Party women she spoke about the current disruptions in the youth movement as if they were the underhanded work of Taistoites. This is an incorrect evaluation.

Labeling youth as Communists for their differences is very stupid from the point of view of the bourgeoisie. It is better to fire one's last shot at the Communists since it is not possible to offer them a martyr's cloak and the return of disenchanted supporters.

Ten years of labeling everyone with a different opinion, often without justification, was the quickest way to make of them what they were argued to be. We could learn something was this.

In my opinion the most dreadful error in the democratic parties now would be to think that criticism is being aimed only at the Communists. Those parties interested in playing this game can find subjects of criticism one after the other all the way up to rightwing forces or the Conservative Party.

People are beginning to demand power. Through indiscretion some will dare to be of a different opinion than the party machinery.

My strong position is a result of the fact that I have not been criticized in Taistoite newspapers for 7 years. Hopefully it will be understood in TIEDONANTAJA that it is my turn.

FINLAND HAS BIG STAKE IN BREZHNEV ARMS INITIATIVE

Helsinki UUSI SUOMI in Finnish 9 Nov 79 p 2

[Editorial: "Europe's Missiles"]

[Text] There is no future for political detente in Europe unless detente can also be accomplished in military questions. This fact is becoming ever more obvious as the arms race escalates and the international atmosphere slowly but surely worsens.

At its December meeting NATO intends to make a decision in principle on the deployment of new types of missiles in Europe. In NATO's opinion this will restore a balance which has been disrupted by the Soviet Backfire bomber and the multiwarhead missiles.

Moscow's answer was contained in President Brezhnev's speech in which he promised to withdraw 20,000 troops and 1,000 tanks from East Germany. The speech was labeled as propaganda and the offer was considered to be too small particularly in the United States and England. On the European continent positions were more positive. At least a detailed clarification of the situation was considered to be necessary.

It is now believed that NATO will make a decision on new weapons, but will include an offer of negotiations for extensive disarmament to the Soviet Union and the Warsaw Pact. Their success would at best guarantee that no new so-called Euro-missiles would be deployed.

There are hopes for negotiations since on Tuesday Brezhnev returned an offer with important additions. These are interpreted to mean that the Soviet Union is interested in negotiations even after the West makes a decision although such a decision would, of course, complicate the discussions.

President Kekkonen has also referred to the dangers of a new arms race and has expressed support for Brezhnev's statement as well as constructive statements by other political leaders concerning a readiness to negotiate.

For Finland the deceleration of detente is nothing more than a hindrance. For this reason we should make every effort to support disarmament especially while keeping the follow-up conference in Madrid in mind.

SOCIALIST PARLIAMENTARY GROUP CHAIRMAN ATTACKS CENTER PARTY

Helsinki HELSINGIN SANOMAT in Finnish 12 Nov 79 p 11

[Article: "Veikko Helle Thinks Struggle for Center Party Will Paralyze Government"]

[Text] The chairmanship struggle in the Center Party will paralyze the government unless it is checked in time. The warning comes from Diet Speaker Veikko Helle (Social Democrat), who criticized the leadership of the Center Party for making the Kemi River delegation a pawn of its internal power struggle.

Helle pointed out that the delegation and all the people by means of the mass media were subjected to a competitive struggle, whose victims were difficult judicial questions and millions of markkas.

"When some politicians begin to present the delegation with indifferent promises even before the government had had a chance to deal with the issue in a reasonable manner, it also becomes a question of arousing unfounded expectations and thus in the final count a reduction of the credibility of the decisionmaking process."

Helle emphasized that the Diet cannot be satisfied with just approving those government proposals which are difficult for the leftwing. Centrist factions must also bear the responsibility.

The bill for the country and the taxpayer will be expensive if the internal conflict in the Center Party is able to influence income policy negotiations, budgetary policies, and tax and social policy reforms, emphasized Helle.

Defense Minister Lasse Aikas (Center Party) hoped in Forssa that the Center Party congress in Turku will be able to place into the party leadership forces with the strength, ability, courage, and also experience to set a stable course for the Center Party even in rough waters.

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CSO: 3107

ECONOMIC GROWTH THREATENED BY WORLD DEVELOPMENTS

Helsinki SUOMEN KUVALEHTI in Finnish 9 Nov 79 pp 28-30

[Article by Jouni Plinkkila: "Economic Growth Achieved by Restoration Packages, Devaluations, Cooperation, and Fortunate Chances"]

[Text] Finland's economy went into a deep slump in the middle of the decade. This was the result of unfortunate accidents.

Now economic growth is more rapid than in Western industrialized countries. This achievement is the result of the joint efforts of politicians and commerce and industry as well as fortunate contingencies.

This year export growth continues to be rapid. Personal consumption has increased perceptibly. Investments have picked up. Construction projects have increased. Employment has improved. Our international ability to compete has become stronger. Price rises have been kept in check.

These statements of the most recent economic report of the national economic section of the Finance Ministry seem to be unreal after a long recession. How is all this possible, where does the rat lurk?

Finland's strong economic growth has been a surprise to everyone. Those who now brag about success are being wise after the fact.

Who deserves the credit for the fact that Finland's economy is moving forcefully ahead?

Prime Minister Mauno Koivisto is collecting points for his friendly attitude toward enterprise, Kalevi Sorsa with his economic restoration packages and devaluations has been forgotten.

However, the truth is that Sorsa's government contributed much to accelerate economic growth. The fruits of this work have now matured.

The fortunate incident is that at the same time there occurred in the world economy a "black hole" which has provided a market for Finland's most important export products.

Economic Restoration as the Magic Word

On 23 June 1977 the Sorsa government made an important decision in principle and created a new magic word for the republic: economic restoration.

The Sorsa government's predecessor, Martti Miettunen's Center Party minority government had indeed carried out one devaluation and attempted to restore Finland's competitiveness in the budget with the support of the Conservative Party. Miettunen's government eliminated the sales tax from industrial construction sites, reduced the social security payments of employers by a percent and TEL insurance payments by a percent.

Also it would not be right to forget the competitive campaign initiated in Oulu earlier by the Industrial Association.

The change of attitude by the Communists was particularly significant: during Miettunen's emergency government a departure on the path of competitiveness by means of industry would not have been possible. In the Sorsa government the Communists supported goals for strengthening the ability to compete. Communist government responsibility also funded the labor markets, wage increases have been moderate. The result has also been affected by the optimism that has spread among the people. The effect of a "free-from-recession" state of mind has been much greater than many imagined.

Three devaluations, five economic restoration packages, and moderate labor market solutions have over a period of three years strengthened Finland's ability to compete by one-fourth. This is a good achievement.

In the last 5 years the gross tax level of the economy has decreased, it has resulted in an increase of purchasing power. Soviet trade, which has continued at the level of the recession period, has provided a supportive base for the new economic rise.

A Misconception of Overheating

Now there is talk about the danger of overheating the economy. Still fresh in our memory are the first years of the decade when wages shot up, investments increased, the cost of housing went up, wholesale prices doubled, and inflation went out of control.

Today we are still a long way from overheating. Actually, we are today living through a rather normal period except for unemployment.

Recently the most animated speeches have dealt with the looseness of the money markets.

The expectations of revaluation in the summer brought money into the domestic market and the increase in the foreign currency reserve brought about an exceptional looseness of the money markets for a short time.

Revaluation, however, burst the bubble and now a normal situation has been restored to the money markets.

Director Ahti Karjalainen has assured economic editors that money markets are under control at the Bank of Finland. Karjalainen's confirmation is the official statement of the Bank of Finland, which should be believed.

The signs of overheating are in general most evident in the construction industry. Information concerning overheating in the area of construction is somewhat contradictory: on a nationwide basis none of the evaluations indicate any construction activity greater than normal. The increase in the number of construction permits granted does predict local overheating particularly in industrial construction, but individual incidents do not have much significance at a nationwide level.

The cost of housing has once again started to rise. However, this was only an indication from the beginning of the year. Since then, prices went into a slump.

There is no fear of a rapid increase of prices in the housing market, but there is a question of normal development.

Warnings From the World Economy

The international markets expect to show a strain and will demand continued cooperation between politicians and commerce and industry if Finland intends to remain one step ahead of the other industrialized countries.

Prospects are somewhat clear until the fall, after that, development is still obscure.

The balance of payments, which is an indicator of Finland's foreign trade, has taken a downward turn to the deficit side. It does not have to be a sign predicting ruin, but it is, however, a sign of change in the economy.

Indeed, Finland's economy can today withstand a balance-of-payments deficit significantly better than in the middle of the decade. Development of the gross national product has been strong -- this year's estimate is 7 percent. Finland's degree of indebtedness has declined considerably.

The demand for products of the timber industry is once again in a key position. The forest industry is operating at full capacity, but inasmuch as this success is dependent on purchases for building up reserves, as is feared, the market may become oversaturated surprisingly quickly.

The total production of the metal industry is expected to increase this and next year by 6-8 percent. This development is not considered to be fantastic when one takes the point of departure into consideration: metal has now only started to slowly creep out of the bottom of the wave toward a normal situation.

In spite of the increase in the number of orders in the metal industry, it is still clearly below the 1974-1975 level.

A cautious optimism prevails with respect to metal industry development in the near future. According to the most recent economic barometer approximately one-third of the metal industry is expecting its economic prospects to improve by the end of the year, 4 percent expects development to retrogress, and 62 percent expects it to remain the same.

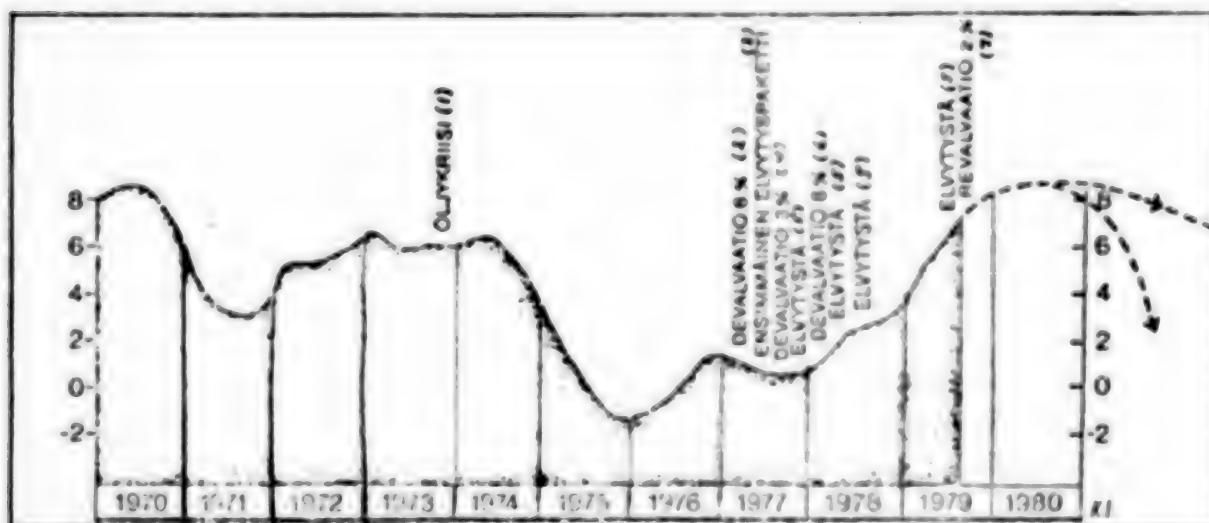
Situation Is Easily Disturbed

Finland's economic development can now be easily upset. According to the national economic section of the Finance Ministry the present situation contains some of the same traits that existed 5 years ago when the acceleration of price and expenditure development also accelerated the spread of the international recession to Finland.

The prevention of its repetition is still possible, states the national economic section.

General Manager Timmo Relander, how can it be prevented?

"By avoiding the mistakes that were made in the beginning of the 1970's. Competitive ability must be maintained, wage slides must be controlled, inflation must be kept in check, and enterprises must pay particular attention to expenditures."



Key:

- | | |
|---------------------------------------|--------------------------|
| 1. Oil crisis | 4. Devaluation 3 percent |
| 2. Devaluation 6 percent | 5. Economic restoration |
| 3. First economic restoration package | 6. Devaluation 8 percent |
| | 7. Revaluation 2 percent |

The economic restoration packages contain the government's decisions in principle on economic policy goals, lines of action, as well as restoration actions. The packages contain, among other things, actions for restraining inflation, securing purchasing power as well as investments, and restoring employment. Finland is now with reasonable certainty facing an economic slump. Whether it is a sudden drop or a gradual slide downward will be resolved by developments in the next few months.

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CSO: 3107

BRIEFS

LESS STRIKE ACTION--The Statistical Center has completed its strike statistics for last spring. They show that in the period from April through June there was less strike action than in previous years. However, it was exceptional that there were more strikes than usual in June. In general June is a peaceful month. In April-June there were 371 strikes. The number of people participating in them amounted to 43,000 workers and 42,000 workdays were lost. The majority of the strikes was in the metal industry and the strikes were concentrated in the areas of Turku and Pori, Hame, and the Province of Uusimaa. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 12 Nov 79 p 10] 10576

CSO: 3107

1981 ELECTIONS: INSIGHT INTO BARRE, CHIRAC RELATIONSHIP

Paris LE POINT in French 31 Dec 79 p 23

[Interview with UDF [French Democratic Union] President Jean Lecanuet]

[Text] Why are relations between Barre and the RPR [Rally for the Republic] so bad? Jean Lecanuet, UDF president, explains.

[Question] Has the constitutional council sanctioned Raymond Barre or the incoherence of the majority?

[Answer] When a majority group neither supports nor overthrows the government, it creates an ambiguous situation which could only trigger anomalies. I repeat, therefore, that concerted action and trust are the rules which should bring about a return to normal relations, both within the majority and between the government and its majority.

[Question] The RPR blames Raymond Barre for having chosen for the past two months the confrontation. . . .

[Answer] Any possible confrontation was started by the other side. Chirac and his staff have constantly taken aggressive positions. Barre has merely counterattacked without any calculation or premeditation. Naturally, he has said to make repeated use of Article 49 of the constitution which should be used on an exceptional basis only; yet, how else would he have governed?

[Question] The tone used by the prime minister in the National Assembly has frequently shocked the RPR.

[Answer] I repeat, let us not switch responsibilities around! Having said this, Raymond Barre has probably displayed a somewhat authoritarian vigor. I would like him to recover quite quickly his previous serenity, for his office demands him to abstain from any temptation to engage into polemics, even if provoked. It is also true, however, that Chirac should, as well, lower his tone. . . .

[Question] Could he?

[Answer] Let me surprise you: I understand Chirac somewhat. All things being equal, actually, in 1965, as a candidate for the presidency, I found myself in a situation similar to his today. My entire orientation made me quite different from General de Gaulle on a certain number of points justifying my candidacy. This led to the development of a current of public opinion in which the French told themselves, "he is running for the sake of France." Between Chirac and me there is, furthermore, one major difference: I was not part of the majority then. Chirac must explain why he is fighting someone he helped elect and supported, willy-nilly, seven years.

[Question] Actually, the malaise of the majority is not about to abate.

[Answer] This malaise should not generate into a crisis. Its only reasons are neither Mr Barre's temperament or Mr Chirac's moods. Essentially, it is, in reality, the result of institutional mechanics. A political group henceforth can exist only if it feels represented in the Elysee Palace or if it believes that one of its own could occupy it. Otherwise, as Chirac well knows, it regresses. Hence the virtually made decision by the RPR to have its own candidate in 1981 and, automatically, the need for this candidate to separate himself by amplifying simple differences.

[Question] The RPR seems to resent Barre personally.

[Answer] One does not change prime ministers because one is tired of looking at a face, not to mention that the same causes would quickly produce the same effects!

[Question] Does the UDF fear Michel Rocard?

[Answer] It is still too early to establish that. Yet, whereas I like the man the person seems fragile. The 1974 election was based on the idea of change. Everything seems to indicate that the 1981 election will be based on the idea of security. Yet, considering the current situation of the world, Rocard could hardly be viewed as a security factor.

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CSO: 3100

BACKGROUND ON NEW BANK OFFICIALS PUBLISHED

Athens EPIKAIRA in Greek 13 Dec 79 p 47

[Text] With the commendation that "they have served the Republic," the government said goodbye to the mature generation of managers who "resigned" en masse last week. The professor and academician Angelos Angelopoulos of the National Bank of Greece, the Polytechnic professor Mikh. Angelopoulos of the DEI [Public Power Corporation], Professor G. Kavvadias of the IKA [Social Insurance Foundation], and Ev. Iliadis and G. Kipouridis of the Commercial Bank of Greece all relinquished their posts to a manifestly younger generation of successors, whom the government chose "without party-politics criteria," as the minister of coordination said. All of these are younger than 50 years old, except for the new manager of the IKA, and as a rule they have a technocratic background, with applications to management.

These new appointments are characterized as "revolutionary" by many people. It is the first time that there are such young people in such high leadership positions (something which is common in other countries, but is very rare in Greece). And as for the two large banks--the National and Commercial Banks--their tradition, their hierarchy, and the previous organizational interrelations in these institutions have been almost totally ignored. It is, they say, an experiment which holds out great hopes.

In what follows some information is given on these new bankers, while the next issue will present the other managers (in the IKA, DEI, OSE [Railways Organization of Greece], Olympic Airways).

Evthymios Khristodoulou

Governor of the National Bank of Greece

He is not yet 48 years old, is an economist, and until the day before yesterday he was the president of "Olympic Airways," where he distinguished himself by his firmness in the unjustified strike movement and by his organizational genius. The economic recovery of Olympic Airways is attributed to his maneuverings. The son of the former minister

(and director general of the Ministry of Agriculture), Nik. Khristodoulou, he was born in 1932 in Larisa. Having studied at Athens College, he later studied economics at the universities of Hamilton and Colombia.

Beginning in 1960, he worked as a consultant in the National Bank, and in 1968 he began work as its economic adviser. In the same period, beginning in 1964, he was appointed the director of the ETEVA [National Investment Bank for Industrial Development], where he remained until about 1 1/2 years ago, at which time he took over as president of Olympic Airways. He has also been a member of the Administrative Council of TITAN Cements AE and of ELLENIT AE, and was president of the Administrative Council of the maternity hospital "Mitera."

He is regarded as a capable manager, with organizational abilities and special skills with respect to developmental questions.

He is married to Evt. Bomboli and has three children. As the son of an agriculturist, he has a talent for gardening, which he exercises in his garden in Filothei.

Giannis Kallimasiotis

Deputy Governor of the National Bank

The new deputy governor of the National Bank, Giannis Kallimasiotis, has made banking his career, and up to yesterday was the director of the head office of the National Bank and the top man in the hierarchy of its directors. The son of the developer of the present port of Piraeus, Dimitris Kallimasiotis, he was born in Athens in 1917, and in 1934--while still a student in law school--he was given an appointment by the National Bank, in which he successively ascended all the rungs of the hierarchy in the 35 years of his banking career.

He organized and directed the shipping credit department of the bank, and he effectively helped to organize the activities of the bank in foreign countries. He has been the director of the head office in Piraeus of the National Bank, and was recently the director of the Athens head office, which is the center for 35 percent of all activities of this bank.

He speaks English and French. He is married and is a grandfather (he has three grandchildren from his only daughter).

Giorgos Sareidakis

Deputy Governor of the ETVA [Hellenic Industrial Development Bank]

Considered to be one of the surprises of these appointments is the assignment of the deputy governorship of the ETVA to Giorgos Sareidakis,

who was born in 1938 in the village of Kritsa, Lasithion. He studied law and political and economic sciences at the universities of Athens, Brussels, and (Nasy). He has specialized in European Communities law and in maritime and aviation law.

During the 7-year dictatorship, he left Greece and initially worked as a financial consultant in the private sector in Europe. But in 1972 he was appointed to the General Secretariat of the European Committee of the EEC in Brussels, where he distinguished himself as one of its chief officials. Following the change in government and the establishment of an EEC office in Athens, he returned to Greece and worked as an alternate director until the day before yesterday.

He has written a number of studies, memorable among which is the one which he was assigned to do by the legal service of the European Committee, which discusses the unification of the air communications of the EEC's member countries. For a number of years he has also been a member of the Administrative Council of ELKEPA [Greek Productivity Center], and he has studied the problems of productivity in the private sector of the economy. He is married and has two children.

Vasilis Sarsendis

President of the Commercial Bank

The new president of the Commercial Bank, Vas. Sarsendis, professor at the Piraeus Supreme Industrial School, is relatively young. He was born in Neapolis, Lakonia, in 1928, and early in life he devoted himself to economic sciences. A graduate of the ASOEE [Supreme School of Economic and Commercial Sciences] of Athens and of the School of Legal and Economic Sciences of the University of Salonica, he had post-graduate studies in America in subjects of business organization and management. He also pursued post-graduate studies in England, in subjects pertaining to financing.

Later a teacher at the University of Salonica in administrative economics, then from 1966 on the vice president of the Greek Association for Business Management, and for years a professor of economic and financial accounting and of accounting control of industrial production at the Piraeus Supreme Industrial School, he also has to his credit a rich output of writings on subjects of financing and accounting, business planning, and investments (management of stocks, evaluation of capital expenditures, forecasts on the development of oil prices, costing of industrial production, and so forth).

Beginning in 1977, he took over the presidency of the Investment Bank, which he still holds, and early this year he was also appointed president of the Administrative Council of KEPE [Center for Planning and Economic Research].

Panagiotis Vourloumis

Managing Director of the Commercial Bank

The new managing director and general administrator of the Commercial Bank, Panagiotis Vourloumis, is just 42 years old. The son of a well-known family with a tradition of political activity, he was born in Athens in 1937 and studied economics at the famous London School of Economics. When he graduated, he was employed for a period of time after 1960 in the ETEVA, and subsequently--from 1966 to 1973--he worked as an official of the IBRD in Washington and of the International Finance Corporation (IFC), which operates in parallel with the IBRD. He departed from this post in 1973 with the distinction of investment specialist (senior investment officer) of Southeast Asia.

After that, he took over as managing director of the newly formed Investment Bank in Indochina, which was established there by the Manufacturers Hanover Bank in cooperation with the Commerce Bank, Barclays Bank, the (Bank de Commerce Extérieur), and others. He was occupied with the organization and administration of this bank for 3 years, while at the same time he was also a representative of the Manufacturers outfit in Indochina.

With the founding in Athens of the ELEVME [Greek Industrial and Mining Investments Company], he was appointed the general director, but he did not remain at this post because of other responsibilities. Beginning in 1977, he established in Greece and directed the office of the Manufacturers Hanover Trust Company, up until the day before yesterday.

He speaks English, French, and Spanish. He is married to a non-Greek economist, and he has three children.

12114

CSG: 4908

BUILDING RESTRICTIONS ON ATTIKI PLOTS ANNOUNCED

Athens TA NEA in Greek 14 Dec 79 p 5

[Text] Only 400 square meters can be used for a building out of the total area of 20 stremmas which is now required for a building plot in the Attiki area which is outside a town-planning district to be considered approved land.

This is provided for by a presidential decree which was published in the EFIMERIS TIS KYVERNISEOS [Official Gazette] and which--as Deputy Minister of Public Works Stef. Manos stated--aims "at the protection of the mountains, forests, and agricultural lands which are left in Attiki."

As TA NEA wrote yesterday, this presidential decree concerns the building plots which will be created hereafter, while the existing plots will be considered approved as exceptions to the decree.

The deputy minister stated also that one of the objectives of the decree is to stop the splitting up of agricultural land into small building plots in the area of Attiki.

Four Regions

By this presidential decree, Attiki is divided into four zones:

The zone of approved town plans and of settlements which were in existence prior to 1923.

The zone in which it will be possible to extend town plans on the basis of the Regulatory Plan.

The zone which will have an immediate need of protection, and in which no industries or small manufacturing outfits will be allowed to be established, but only residences, under the above provisos (a building plot of 20 stremmas--400 square meters of coverage by a structure).

The zone which has less of a need for protection, and in which business units in many different categories can be established.

In the last two zones:

It is stipulated that in order to be considered approved, the minimum area of new building plots must be 20 stremmas, instead of the 4 stremmas which was the case up to now.

It is permissible for structures or facilities to be built which involve only the farming of the land, under the provisions which are in effect at the present time.

As for these residences, houses of at most 400 square meters of floor space are permitted to be built on plots of 20 stremmas (in one or two stories--200 square meters per floor). For those plots which are not 20 stremmas in area, structures can be built on them having a floor space equal to that which they were permitted to be previously, plus 20 square meters per stremma. For example, on a plot of 7 stremmas a structure of 260 square meters can be built, or on a plot of 16 stremmas a structure can be built of 360 square meters of floor space.

Exempted from these measures are:

Those who have received a permit or who have filed their supporting documents for a building permit.

Those installations which already exist but which are now banned are allowed to have improvements made on them for their more sound functioning.

Those agricultural industries which are located in this region and which use as raw materials various products of the region are permitted to remain and expand whenever and however it is necessary to do so.

Civil Engineers Dissent

Meanwhile, in an announcement yesterday the Civil Engineers Association of Greece "strongly protests to and condemns the undemocratic tactics of the housing service, which is proceeding to toss a new bombshell without asking the opinion of anyone." These questions are raised in this announcement:

How is it possible to chart a policy on land use without a cadastre?

How is it possible to chart a policy on land use without legislated land-use measures and without a guarantee of control over the uses of the land?

The announcement concludes by saying that the civil engineers believe that this measure is one of those measures which have been taken recently against construction activity.

AIRCRAFT INDUSTRY FACILITIES OPENED

Athens TA NEA in Greek 19 Dec 79 p 16

[Text] At midday yesterday in Tanagra, Premier K. Karamanlis presided at the opening ceremonies of the facilities of the Greek Aircraft Industry, "which is strengthening the defensive capability of the country and the feeling of security of the Greek people"--as he stressed in a speech he gave.

Mr Karamanlis emphasized that the Greek armed forces "find themselves at the highest level they have ever been in their entire history," and he expressed the conviction that "strengthened by the broad network of military industries, they will be able to give a feeling of security to the Greek people which is constant and lasting."

As the premier stated, warships are already being built in Greece, combat tanks are being rebuilt, and airplanes are being repaired--there being prospects of the latter being manufactured as well--while in the Aigion industry small arms of all types are being manufactured. "Until 5 years ago, it was impossible to think these things could be done in Greece," as Mr Karamanlis said.

The premier was accompanied to Tanagra by Minister of National Defense Averof, who referred to the efforts being made to create a Greek military industry, and who stressed that in this sector "what has been done in the last 5 years is more than what was done in the previous 50 years."

The Greek Aircraft Industry was established in April 1975 by a unanimous decision of all wings of the Chamber of Deputies. It began its activities in November 1978, with the repairing and maintenance of "Phantom" aircraft and airplane engines. By now, it has repaired and delivered to the Air Force 13 airplanes and 22 engines. The Greek Aircraft Industry is capable of working on 24 types of aircraft and 21 types of engine, a fact which will enable it to be active in the international sector.

As I. Stratos, the president of the Greek Aircraft Industry, said in speaking at yesterday's inauguration, "Greece is knocking boldly at the door of the international market, and soon it will play a role in the world aviation market."

12114

CSO: 4908

PCI'S NAPOLITANO REPUDIATES AMENDOLA LINE

Rome RINASCITA in Italian 23 Nov 79 pp 1-2

[Article by Giorgio Napolitano: "The Communist's Contribution"]

[Text] The notable importance of the recent meeting of the Central Committee [CC] of the PCI lies in the fact that through an open and concise debate we have been able to define, in a clearcut manner, our party's makeup and special role, matters which must be concrete outward manifestations of our political and mass action, coupled with the highly responsible vision of nation and government which guides us in the battle against the opposition. We therefore desire, more than ever, to view ourselves as a party--enjoying full autonomy--engaged in affirming the values of a new internationalism, in struggling for detente, disarmament and the liberation of peoples from poverty and hunger, eliciting an immediate and constructive treaty between East and West for a balance of forces in Europe and thus deploring hurried and dangerous decisions such as the one related to the construction and installation of Pershing and Cruise missiles; and at the same time we intend not to loosen but to strengthen the bonds of consensus already registered on the fundamental thrusts of Italian foreign policy, attempting to find as many areas of convergence on these questions with the other forces of the left as well as democratic forces. More than ever we want to characterize ourselves as a great people's and worker's party, busy strengthening its bond with great masses of workers, "remaining near the masses, understanding its interests and its worries"; and at the same time we intend to contribute decisively to "the action of salvation and renewal of the country," making use of this very link now renewed. Those are the words of Berlinguer, that is the line expoused by Pajetta and Chiaromonte.

The comments of the press and of the political forces have been most disparate; it came to pass that in the same paper, or in the same party, gratuitous and even rude speculations alternated with very correct and thought-out evaluations; unseemly reactions from the left were noted, as well as those from all the varying degrees of the right, as was to be expected. The words "A Trial for Amendola" even reached print, because an article and later on a statement, which were by no means prudent or gentle in the polemic within our own party, were rebutted with no less conviction and firmness. An attempt was made to twist, in a vulgar way, the debate terms

of reference, almost as though some essential preoccupations and exigencies, were to have been voiced by Comrade Amendola alone, and that the rest of the party and the CC locked itself in a thought process of nefarious revenge or simple recovery, availing itself of the easiest and most unprejudiced routes, namely that of lost or deficient consensus. Of note however, was the fact that some differing voices of the socialist party brought out the fact that problems debated by our CC, including the one relating to the position taken by Amendola, are in reality problems of the whole left, to whom singly, to each separate exponent and to the whole working force the workers movement and the left must be able to find just and efficient answers. The recognition on part of the very director of the Christian Democratic [DC] daily has not been without meaning. In a very low-key article, a "general respect" was registered for "the impassioned debate within the Communist Party" and a sense of conviction was expressed that through that debate "great themes had been made the responsibility of everyone."

We have in effect totally disagreed with Amendola for reasons of method and of merit which relate to the partiality and inconsistencies of his analysis, from the curt and exasperated content of his judgements to that element of "going astray" which his article and his statement could have provoked in our discussion and the development of our policy. We have referred above all to the speech to be delivered to the workers and the policy to undertake on the social and economic scale. When one wants to speak of the necessity of austerity and of the fight against inflation it would be a mistake not to begin with the experience acquired between 1976 and 1979 and not remember and cherish the contribution given by the workers' movement, even if it meant the acceptance of specific sacrifices or self-denials. It would be an error not to bring out the fact that our struggle became more and more difficult as maneuvers and duplicity within the "democratic solidarity" increased and as the prospect of a real, full renewal in the nation's political direction, the goals of government action, and the trends in the development of Italian economy and society became more controversial and distant. The experience of these years has told us what indispensable political and planning conditions are needed to inspire a climate of trust between workers, to make choices which at times bring about significant changes in the behavior and aspirations of large labor groups, coupled with the guarantee that the above be met with adequate offsetting sacrifices by the other social strata and that the aim in the struggle in the fight against inflation, the renewal of the means of production, the country's civil progress, the development of the South, the increase in employment, both professional and apprenticeship, be truly pursued.

It is not a matter of "waiting" for these political and programmatic conditions to appear by themselves or be handed down from above, conditions which include the formation of an effective unity and democratic solidarity government, as well as the unequivocal acceptance of a policy of equality and change. It is a question, for us communists, of struggling against the opposition, with everything out in the open, with the combativeness and the firmness which are necessary, when facing a government such as this one "for the objectives of justice and transformation"; the real question therefore

is that of selecting and scrutinizing, together with the other forces of the left and the workers' movement, in ever-increasing credible and concrete terms those specific objectives and to create for them the largest popular approval. The real point on which to concentrate efforts and attention is that of the new definition and a mass confrontation on the ways and means of a policy for change in the method of pursuing a "new quality" of development, of work, of life and also, there is no doubt, of the priorities and compatibility such a policy brings with it.

The debate at the Central Committee touched on this theme, particularly Chiaromonte's report. Therefore it is truly incredible that some voices made mention of the PCI's "returning" to a "policy of head-on clash" and currying favor with "maximalist elements," or that it had been sustained that "Berlinguer subordinates his proposal of constructive collaboration to the transformation of the system in a communist sense" (1). Thus "certainly not enhancing the PCI's image of a governmental party." In order to sustain such rude vulgarities, one must not have read Comrade Berlinguer's speech in which are expounded the firmness of our commitment on such acute problems as "the reduction of inflation, wild/cost of living/indexes, work productivity, self-regulation of strikes in public services, the rejection of violent forms of struggle, the increase in number of corporate bodies"; the firmness of our commitment not to embark on "a road leading, in a blind dash, to all kinds of vindications, the road, that is, of maximalism." We are also committed, together, not "to shy away from battles" to anew begin actions aimed at renewal and justice, to pursue a perspective of transformation in a socialist way, it not being necessary here to recall its original starting points (economic and political pluralism, a new rapport between planning and market, etc.).

In order to write such things, one must ignore the fact that Chiaromonte's account brought forth, as a central theme of the struggle of the whole workers' movement, that of a change in resources, from consumer goods to investments (which are related, even if the consumer goods makeup is altered), control over investments, and hence of that of planning policy, the improvement and application of the most significant laws approved in the most recent legislative session, the launching of a new plan for energy, the renewed activity and reform of state holding companies, and participation and planning at company level of the worker. Naturally we also plan to be involved in subjects dealing with working and living conditions of employees (where, among others, the battles such as that for a home, against rising costs, for the easing of taxes on dependent workers), but we highlight the problem of labor organization more than the problem of salary, and we place the latter in rapport to professionalism and productivity as well as in terms of wage adjustment for those more stressful and tiresome jobs and in rapport to those work categories that have really been left behind. And certainly we plan to act in favor of the poorer masses: this is done by above all putting forth serious proposals for the reorganization of the pension system, the increase in minimum pension benefits, and the improvement of cost-of-living increases for retired persons. In addition to the above, one should add our willingness as stated before the CC "to discuss adequate and just fiscal measures needed to cover the increases proposed by us," as well as our

opposition to a further indiscriminate tax on the social onus coupled with our explicit reservation on the labor union's demand of doubling family checks. We act in such a manner to avoid the contradiction between even the most justifiable of claims and the necessity to intensify, on all fronts, the fight against inflation, improving working conditions of those who do have jobs, and the fundamental necessity of channeling resources toward the renewal and expansion of the base of production, the development of the Mezzogiorno, and of unemployment.

We are working on these problems and we will work on them together with our socialist comrades and other forces of the left; the unitarian labor movement is now reemphasizing its commitment of struggle and formulation which we hope will be able to decisively face the matter of the corrections and new solutions which witness a new resurgence of democratic life in the labor union, beginning at the plant. Not all is settled, not all is clear or peaceful even in our files; we know this well. However, what contribution--which deals with problems that also involve (as has been said and written) "the responsibility of everyone"--of the party of relative majority, of that principal governmental party, of a Christian Democratic Party almost at the eve of its national convention? What contribution is necessary in order to demand and obtain sacrifices and rigorous self-denials from the middle and upper classes what it represents in such a significant way? What contribution is necessary in order to embark on a policy that really accepts newness and therefore a valid and efficient policy aimed at overcoming the crisis which more than ever threatens the country? The answer is given us by the distressing reports of the pre-congress committees of that particular party. And while we debate in a more and more vigorous and genuine manner at the level of the recent CC session on the long range problems confronting the nation and the workers' movement, and realizing that he will face a renewed sense of unity within our party, the honorable Piccoli, president of the DC, makes appeals to "party charity" so "compatible themes" may be proposed, so "possible solutions" be outlined, and so "existing balances not be destabilized"; and we aren't even able to see if he is referring only to the country or, unfortunately, to the play of currents at the upper DC echelons.

9209

CSO: 3104

SOCIALIST LEADERSHIP DEBATES PARTY'S FUTURE DIRECTION

Lisbon EXPRESSO in Portuguese 5 Jan 80 p 5

[Text] The National Secretariat of the PS [Socialist Party] will not be able to survive with its present members; at least this is the view expressed by most of the members of that body. In fact, the relative calmness that Mario Soares "imposed" on the party's latest National Commission by no means represents the surmounting of the main differences between the various Socialist "feelings;" differences which are at present arising more in the form of personal clashes (vague questions concerning the public image of each leader) than as concrete attempts to redefine a political strategy (either total or sectorial).

Positions Taken In the Secretariat

Tomorrow, the PS National Secretariat will start debating as a group the proposals (one on organic restructuring, and another on political strategy) that it will submit to the National Commission of Porto, scheduled to convene on 19 and 20 January. Hence, the positions of the movements, all of which are represented in the Secretariat (except for that of Sottomayor Cardia and Eduardo Pereira, the importance of which appears to be quite relative), will already be made clear.

There is every indication that the historicals will try to attach priority to the discussion of the political strategy, while the technocrats, who are more boldly counting on the decline in the influence of the former, will certainly have to find an alternative for the present Secretariat, by means of the organic restructuring of the party.

Three hypotheses have already been voiced in this regard: the promotion of Vitor Constancio to assistant secretary general, a notion that may already have been rejected because it did not obtain consensus from the various anti-historical sectors; the formation of a small executive body within the Secretariat itself, comprised of four or five individuals (from which Maldonado Gonelha and the historicals would be excluded at the outset), and coordinated by Constancio; and a final hypothesis, in the event that a

special congress is decided upon, would be the election of a managing committee comprised of eight members (the National Secretariat has 15, including Soares), from which several historicals would be excluded. However, the holding of a special congress has been considered a solution to be avoided, both because of the proximity of two new electoral processes (the 1980 elections and the presidential elections), and because of the unpredictability of its conclusions.

Still in relation to the PS' organization, on the side of the historicals, Jaime Gama signed a proposal in which, without calling for changes in the composition of the leadership entities, he advocates the decentralization of powers and functions, attaching value to the role of the district federations and changing the statute on the national secretaries.

Another question to be raised is that of the foundations, entities which channel considerable sums, control an entire apparatus which uses and needs those sums, and tend to operate like "lobbies." The heads of the foundations, in addition to being appointed directly by Mario Soares and answerable only to him, taking precedence over the other national secretaries, have facilities for action which the latter could never have (remuneration, "staffs," etc.). In this regard, the main idea is to make the foundations subordinate to the party's executive body.

Alliances, PR [Presidency of the Republic] and Sectorial Policies

Insofar as political strategy is concerned, there will have to be a reconsideration of certain sectorial policies which are thought to have contributed to the PS' electoral defeat (for example, on labor, education and agriculture); the candidacy for the presidency of the republic will have to be considered; and the issue of alliances will have to be analyzed again. The fact that Mario Soares, in an article recently published in ACCAO SOCIALISTA, advised reading the document entitled "10 Years to Change Portugal," recalling that the 1980's have begun, indicates that the innovations associated with what is proposed therein will not be spectacular. The selection of the candidate for president, in turn, may benefit the movement closest to the one chosen. In this connection, it should be noted that the former GIS [Socialist Intervention Group] has been underscoring the advantages of backing for Eanes.

In the case of the alliances, the problem will be more critical. In fact, it is felt that one of the reasons contributing to the AD victory was the fact that it offered the voters an opportunity to elect a stable parliamentary majority.

In this regard, the technocrats will back a proposal that should not evoke serious objections: the formation of an electoral coalition with the ASDI [Independent Social Democratic Association], which would attempt to lure the left from AD. Close ties with the PSD [Social Democratic Party] will

surely depend on the internal evolution in AD. At the moment, it is rather unlikely that such a policy will be adopted, since its advocates (such as Sottomayor Cardia) do not currently have any major influence in the party.

The Importance of Mario Soares

In any case, since there is no unanimity of positions, Mario Soares' attitude will be fundamental; Soares who "snapped at" Maldonado Gonelha, considered by most of his colleagues in the Secretariat as one of those chiefly responsible for the Socialists' electoral defeat. On the other hand, Gonelha will introduce some changes in the strategy of the party's labor policy, and will find his influence reduced if there is a change in the statute on the foundations.

To neutralize the influence of Maldonado Gonelha, mention has even been made of a third alternative for trade union policy, which would have the backing of the former GIS, technocrats and independents. This alternative would bring into question both the Curto line, and the one to be pursued by the Jose Fontana Foundation. We were told that the notion has not been abandoned, but is only in a state of suspension.

As for the rest, it is too soon yet to make predictions. The two leading groups opposing one another (technocrats and historicals) are hesitant to go too far in their wagers before learning Soares' position, a position which will determine that of a highly significant number of members of the National Commission, and even of some members of the Secretariat. However, the technocrats are preparing to convince Mario Soares that he should remain neutral in this confrontation. Otherwise, he would risk the possible resignation of the representatives of an important sector, who would take with them others such as Sampaio (former GIS) and some independents (possibly Gomes Fernandes). Such resignations, submitted individually in any case, would necessitate the convocation of a special congress, since the PS executive group would cease to represent the movements in the party.

Historicals React

The historicals, in turn, have stated that they too are willing to abandon the Secretariat, and claim that they want to discuss policies (wherein they feel more at ease) rather than ideas. Despite the defensive position that they have assumed, they express confidence regarding the course of this confrontation, which they feel must inevitably continue until its final consequences. After the results from the last National Commission meeting which, in a way, favored them (only 50 out of the 150 members of the National Commission, in a secret balloting, voted against the present composition of the Secretariat), they prefer to appear as personal victims of those responsible for the policy that led to the PS' defeat. And in this respect they cite only only the cases considered peaceful, those of Cardia and Gonelha, but also note the fact that Constancio himself, introduced as the potential innovator of the PS' image, was the most prominent figure in the

election campaign. The latter suggestion could obviously only affect the image of the technocrats, if it were to be agreed that the PS lost the elections in the campaign, something which no one has yet done.

Moreover, the former GIS are not particularly bent on the "purging fury" of the technocrats, although they still consider the latter their main allies. Sampaio is aware of the fact that his group and that of the technocrats are the ones which could lend the PS a new image and that, for that very reason, they should remain united. However, in discussing political strategies and tactics, he thinks that it is important to maintain a balance in positions, and at times even to have the views of the historicals. Therefore, they accept the reduction in influence of this group, and no longer favor its neutralization.

This is the explanation for the pacifying speech by Joaquim Mestre at the last National Commission meeting, attempting to prompt the Socialist leaders to discuss policies (which allegedly caused the electoral setback), rather than individuals. This comes at a time when the atmosphere could augur the defeat of the historicals.

Technocrats and former GIS, the New Image

In any event, the former GIS will always be dependent on the position of the technocrats, because the preservation of the image of the one is contingent on that of the other.

The majority of independents should adhere to Soares' positions. In any case, although they are fearful of a drastic change in the party's leadership, many of them would be pleased with a reinforcement of new leaders who would lend the party a new image. In the final analysis, this means that they would not mind a decline in the influence of the historicals (whose image is spent, despite the fact that they are not held directly responsible for the most controversial sectors) and of Gonalves.

Finally, the so-called moderates will attempt to adhere to the technocrats, aware of the lack of influence among the party's rank and file, a lack of influence which has been increased by Cardia's attrition. Meanwhile, they are meeting at the Azevedo Gneco Foundation, headed by Eduardo Pereira.

Between tomorrow and 19 January, the discussions in the Secretariat will make it possible to clarify the PS' internal situation. The danger of holding a new congress and the lack of a clearcut, viable alternative for the composition of the new Secretariat have made it seem more convenient to defer this crisis in the realm of personal confrontations to the former GIS (who will continue to consolidate positions in the party apparatus and will keep their image intact), to the historicals (who would avoid a test of strength with the groups on the rise) and to Mario Soares (whose power of arbitration would not be hampered). The technocrats might be convinced of the advantage of this solution through concessions, in the party's political orientation, with the reinforcement of their positions with respect to the Socialist leader. In any event, these are all hypotheses thus far. And the insecurity of the various movements is obvious.

POLITICIANS DISCUSS EFFECTS OF CONSERVATIVE VICTORY AT POLLS

Lisbon DIARIO DE NOTICIAS in Portuguese 5 Jan 80 pp 29, 30

[Interviews with Lucas Pires, Almeida Santos, Octavio Pato, Vitorino Magalhaes Godinho and Veiga Simao, by Simoes Ilharco; date and place not given]

[Text] The inauguration of the Sa Carneiro government marked the beginning of a new period in the Portuguese political situation. Needless to say, there is apprehension surrounding the action of this executive group. What will the policy of change that AD [Democratic Alliance] intends to impose on the country actually be like? Will the recently sworn in cabinet raise the living standards of the Portuguese people, because (as the president of the republic has remarked) "the conditions exist for a new phase in our economic and social process"? Will the team headed by Cavaco e Silva succeed in reducing inflation, combating unemployment and reviving private investment?

And, on the other hand, what steps will be taken to humanize the living conditions of children and the aged? Will democratic access to education be promoted, and will the entire population be offered an accessible transportation system?

All these essential goals of the Portuguese people were underscored by Ramalho Eanes in his New Year's message to the country. Urging the AD executive group to make decisions that will allow for the attainment of these goals, the president of the republic sought active cooperation from the opposition in the nation's development upon declaring: "These are difficult goals wherein a demand of natural law carries more weight than any ideological factor, and for which, therefore, no one can refuse support."

But how will the opposition act toward the new executive group? How will the Belem-Sao Bento relationship develop, since the break between AD and Eanes has already occurred, and the latter's possible second candidacy will not be backed by the forces affiliated with the Democratic Alliance?

From another standpoint, shall we be witnessing a possible confrontation between the PCP [Portuguese Communist Party] and AD, which may be associated with a hostility among trade unions toward Sa Carneiro's efforts? Or, on

the contrary, shall we have an atmosphere of political and social stability, acting as a support to the parliamentary majority which, although shaky, is the first one that has existed in the semicircle at Sao Bento since 25 April?

This entire accumulation of questions warrants a detailed analysis of the current political situation, for which purpose DN interviewed Lucas Pires (AD), Almeida Santos (PS [Socialist Party]), Octavio Pato (PCP), Vitorino Magalhaes Godinho and Veiga Simao. Five views of a new period.

Lucas Pires: AD Must Keep Its Promise

DIARIO DE NOTICIAS: Will the Alliance government confirm its intentions expressed during the election campaign, specifically those relating to the reinstatement of private banks and insurance companies in the country, and the reduction in professional and complementary taxes?

Lucas Pires: AD has only one word; one word is all that it can have. The question cannot lie in ascertaining whether or not it will keep its promises. The question can only be one of ascertaining when, how and at what rate it will keep them. For example, what are the priorities? For example, what will it do during this interim phase, until the next elections?

It is an essential and constant necessity that the same guidelines in the AD program direct all the action, on the one hand; and, on the other, that the "take-off" become possible and visible from the outset. The separation between the public sector and the private sector, in particular, was the purpose of a common law passed by the Assembly of the Republic which was considered constitutional. Now it may be changed by a new majority. The judgment on the feasibility of this will depend on the analysis of its timeliness in terms of political stability, but as part of a medium-term transitional plan (until 1984) for a pluralistic, open and competitive economy. A judgment which, of course, will be incumbent on the AD political leadership, namely, the prime minister, who is the primary one responsible for it. However, no one should forget that the goal is change, and stability is only the framework limiting the decisions for change.

What is essential is a new spirit and a new plan, which can be implemented immediately and coherently, even though gradually. It would be a mistake merely to add more contradictions to the previous contradictions, under the pretext of pursuing petty moves, those already instigated and those which will be instigated....

DN: Dr Sa Carneiro considered the message which Vences sent to the AD, congratulating it on its election results a "good beginning." Do you think that a good relationship between the government and the presidency of the republic is possible? And with the Council of the Revolution? Do you think that good relations there are possible or will?

LP: General Eanes displayed reasonable "fair play" in congratulating the winners. However, courtesy and sympathy have never been mistaken for one another. Nevertheless, the easing of tensions in the atmosphere is helpful, a phenomenon that is well known and appreciated in the area of international policy, despite the fact that adversaries are involved there, too.

The president and the majority are acting only in the realm of the ground-rules. However, the political decalogue of both is different. The votes which the majority lacked to make it greater were precisely those of a president who moves on his own side, and not only with it. But getting along is obviously possible, and it will be calm, without any need for being amicable. The institutions, and the getting along itself, are the "favorite" of the president; and so he will cooperate in that area, which is the one that matters most to him: that of getting along, which is not related to the decalogue.

In the structure of the Constitution, it is as if the Council of the Revolution were only a tenant. It will be superfluous once the people, the real owner of the structure, decide to become settled in the building that is theirs. I would even say that, at the present time, its position resembles that of a mere subtenant of the people's representative, namely, the president of the republic. Without the latter's protective mantle, the Council of the Revolution would be out of commission.

Hence, it has become increasingly restricted. The AD victory made its reason for existence even more obviously ludicrous. Therefore, it accepts all the room left for it, and that is all that it can do. It accepts it as one would accept a gift. Still, anyone who loses ground always thinks that it is just the prelude to another offensive, even if camouflaged or gradual. After all, illusion is a strong motive. However, the situation is so precarious that it is not necessary (and at times, for this reason, it is not "possible," because impossibility is the most dramatic form of uselessness) for AD to take any action to oust this martial tenant of the constitutional system.

DN: Certain observers claim that AD will not adopt any controversial or unpopular measures until October 1980; and will confine itself to dealing with the affairs of state, so as thereby to better insure another victory in the next elections. This would enable it to make major decisions up until 1984, as part of the spirit of change that it wishes to introduce into the country. Are there any grounds for these views?

LP: The measures proposed by the AD are not controversial, so much so that they were underwritten by the majority of the Portuguese people in free elections. Hence, they are popular, and not unpopular, measures. Furthermore, it has been more than proven that mere "good management" does not suffice to solve the nation's problems. The problem is not only that of the best possible administration of the system that we have; the problem is that of the system itself. The AD victory is the victory of a different

mentality, and a different promise for organization. During the next 8 months, it will be necessary to demarcate clearcut paths in that direction. The promise must be kept.

We are tired of authority with a merely "Pavlovian" function; that is, authority which seeks only to become conditioned to itself, and to make others conditioned to it. The mere monuments of authority are increasingly less convincing. It does not suffice to be there, particularly now. It is time for politics par excellence, in the sense that a different kind of consciousness and a different practical plan are attempting to become consolidated and extended, at the demand of the "active majority" of the Portuguese people.

Many people (can it be many?) are lured by the facility of a mere "evolution in continuity," perhaps because they think that this is the last chance of the system, but still a chance for the system. The last chance of a system is always that of its improvement, or else it will end up as a missed chance.

It is true that whatever is done well will take time to show results, and whatever is done badly will be immediately obvious. But caution cannot interfere with resolution.

DN: There are some who claim that the PCP and the trade unions will start enacting a major offensive against the AD government. Will the new executive body be prepared to face such a potential offensive? I might even ask whether you consider political and social stability possible during the term in office of the Sa Carneiro cabinet?

LP: The PCP will be subject to an electoral criterion, which is the opposite of a criterion of violence. In fact, there will be new elections this year: some for the Assembly, and others for the presidency of the republic in 1981. The electoral criterion demands more peaceful relations; and I have the impression that the PCP has acquired a liking for voting.

The margin of security of the institutions is not large, and the PCP, a party whose subtlety is not very great, would find it difficult to distinguish between combating the government and combating the institutions. The latter as a whole (after all, the Constitution) are the prime object of extreme care on the part of the PCP. Moreover, the PCP ascended, it is true, but it ascended to the point where it lacks the capacity for mobilization and resistance. In Aveiro and Braga it will have to behave very well in order to retain its advancement. It has been our experience that the PCP only does what it can, and it can do what they let it do. Besides, it knows that the last elections marked the end of the "triumphant left," and the "arrogant left" in Portugal; and that they were the definitive victory of what it calls "bourgeois democracy."

As for the Intersindical, it has served essentially to tame the world of labor. That is the only function that it could have in a socialist economy wherein the leading employer is the state. It has served essentially to have the decline in real wages take place with a minimum of strikes. If AD succeeds in curbing this decline in real wages, the Inter's role might then be claimed to be "superfluous." If AD succeeds in becoming the union of the Portuguese people as opposed to the "state" boss, the Inter's role will have to change also. And, finally, AD is concerned over the understanding of the workers, and not of Inter....

DN: Would AD agree to the extra-parliamentary dialog with the PCP? In other words, will Sa Carneiro meet with Alvaro Cunhal at Sao Bento?

LP: There will be no extra-parliamentary dialog with the PCP. The PCP does not belong to the area of consensus that AD is seeking. However, the AD government is a government of all Portuguese, a national government and a popular organ of sovereignty in the broadest sense of the term. Hence, it will not be primarily a party government nor a government opposed to any party in particular.

DN: In the event that there are good relations between Eanes and AD, will the Alliance be willing to reconsider its position concerning Gen Ramalho Eanes' possible second candidacy?

LP: It is sometimes thought that, only in politics, divorces are more unstable than marriages. However, I do not think that this is the case. There has already been enough confusion, and increased self-respect is being sought. In the case in question, I do not think that there will be another wedding.

Almeida Santos: If Privileges Are Recovered, It Will Not Serve the Majority

DIARIO DE NOTICIAS: The Socialist Party has already announced a "firm but responsible" opposition to the new government. Does this mean that the PS will be willing not to systematically obstruct the governmental action of Sa Carneiro's executive group?

Almeida Santos: A position calling for systematic obstruction would not be responsible.

I also feel that the notion of "opposition" has been misinterpreted as "obstruction." A conscientious opposition is one that praises or combats what, in its opinion, is or is not in the national interest.

However, it is not a good thing to foster mistakes. There are fundamental differences between the Socialist Party's political program and what appears to have resulted from the merger of the political forces joined by the bond of AD. Thus it is not likely that the PS, as an opposition, will give too much applause or outdo itself with kindness.

An opposition worthy of the name owes justice to those whom it opposes. But it owes this to itself in particular, and to its reason for existing, namely, the defense of the national interest. We shall be just, without destroying coherence with the defense of our political program. If we did not act in this way, we would be bringing into question the sincerity with which we defend that program.

DN: Do you think that the new government has all the facilities for giving the country a certain amount of political stability; or, on the contrary, do you foresee an atmosphere of great social upheaval while it is in office?

AS: We might say that it has, at the outset, some facilities for stability: an absolute majority in Parliament (insofar as operating as a bloc is concerned), control of the press and an indisputable propensity for easily establishing a relative financial calmness, and a moderate atmosphere of democratic authority and social peace. All of these are facilities which the Socialist Party did not possess when it was its turn to be in government.

But that is not all. In a democratically organized society, the actual power has different headquarters and different branches: the opposition parties, the trade unions, the local governments, the cooperatives, the uncontrollable areas of the press and the healthy reactions of the society itself. This being the case, in the long run everything will depend on how the new executive group exercises power. If it manages to do so to the satisfaction of the society, particularly those who work; that is, those on whose effort everything depends most, it will not be to blame if we cease to have stability. If, on the other hand, it is bent on defending group interests, on reestablishing privileges, and on reinstating profit as the only motive for economic recovery, the parliamentary majority and the other advantages with which it mounted the steps of Sao Bento will be of little use to it.

It is too soon to judge the way in which the new government will exercise power. Actually, it has not even started on its teething crisis yet!

Dr Angelo Correia (the most frequent spokesman for the PSD [Social Democratic Party]) said in Madeira that the PCP "will not create problems for the new government." Is this too much confidence, or is there an agreement behind the scenes?

If I may make an innocent prediction, I would say that the new executive group will strive during the next 10 months to govern in the most election-oriented manner possible. To please the voters as much as possible, with the least possible detriment to the national interest, will surely be the golden rule of the Sa Carneiro government. It is inevitable. Within reasonable limits, any other government would try to do the same.

What must be found out is whether or not the reasonable limit will be exceeded. That judgment is incumbent primarily on the opposition parties.

This is on the one hand. On the other, Sa Carneiro's executive group will have to give its lions some Christians to eat; otherwise, the practice of good fellowship might prove disappointing to it.

Which electoral promises will it try to keep? Will it tear up the Constitution? Will it repeal the law which created the National Health Service, and the law on agrarian reform? Will it impose new wage ceilings? What stone upon a stone will it leave on the wall of the electoral law? Will anything more than the Bank of Portugal be left in the public sector?

Anything less than this would not please its hawks. Much less than this would make the doves fly from their dovecote. It is difficult to govern!

DN: Would the PS, as an opposition party, set itself apart from the PCP, or become allied with the Communists, in possible attempts to cause the government's downfall?

AS: The PS and PCP uphold different political plans, and have differing political practices. If the PS set itself apart from the PCP when it need not have done so in order to be in the government, it would have all the more reason to continue doing so now. The right wing (and it is only emulating Salazar in this respect) has attempted to convince the electorate that the PS and PCP are one and the same. Salazar was equally categorical: "Anyone who is not in favor of the situation is a communist!"

Every time the PC voted for a PS bill (or, less frequently, when the PS voted for a PCP bill), the reactionary press shouted a "quod erat demonstrandum" in chorus!

We are obviously going to witness the same phenomenon now (the PCP voting for the government's bills, and AD voting for PCP bills); and that press will not criticize it, or even take note of it.

This is one aspect. A different one would be if the PS made its independence from the PC such a radical act of fetishism that it refused, under any circumstances, to accept the possibility of voting for the ouster of the new government if the PCP should also vote for it.

The hypothesis is virtually academic, since AD has an absolute majority in Parliament. But, if we admit that the AD government may prove to be a bad government (a hypothesis which is by no means academic!), and loses the majority that it now enjoys (the hypothesis is more than a textbook one), the AD parties could not be surprised if the PS should follow their example, inasmuch as they became allied with the PCP to overthrow the First Constitutional Government, that is, the first government of the Socialist Party.

However, the PS is inclined to think that it is by governing effectively that AD can render the PS (unfortunately, not the country) its most important service.

DN: How would you view the hypothesis of the PS' participating in a hypothetical parliamentary majority with AD, with the constitutional revision in mind?

In the event of a negative reply, how do you deem it possible to undertake changes in the Constitution?

AS: Will AD still exist in 1981? I suppose so. With what political program?

If we admit, though it is absurd, that in 1981 the very same AD that exists now, from the standpoint of its political and program status, is still surviving, I do not consider it likely, or even possible, that a two thirds majority comprised of AD and PS, concocted with a view toward a pre-arranged revision of the constitutional text that is in effect, could exist.

There would be a different prediction on the irreconcilable differences regarding the future Constitution which divide the PS from AD.

This is not to say that incidental majorities will not be formed concerning concrete changes, comprised of any parties whatsoever.

So that, either there is agreement leading to the necessary majorities, and changes are possible, or that agreement does not exist, and the Constitution remains as it is.

The PS does not go along with AD in its apocalyptic view of the present Constitution.

It needs to be reviewed, but not torn up.

Octavio Pato: All the Forms of Struggle in the Framework of the Constitution

DIARIO DE NOTICIAS: Would you give a better explanation of the type of opposition that the PCP will put up against the government? Will attempts be made to cause Sa Carneiro's executive group to fail?

Octavio Pato: The PCP will use all the forms of struggle in the framework of the Constitution and the institutions to oppose the entire political action based on the line of defending the interests of big capital, the large estate-holders and the imperialists; and hence against the interests and desires of the Portuguese people.

The PCP will not refrain from exercising any liberties and rights established in the Constitution to defend the interests of the workers, the liberties and the other great conquests made by the revolution (namely, agrarian reform and the nationalizations), and to defend and consolidate the democratic regime.

We are also certain that this government will have to count on the opposition of the workers, the popular masses and extensive democratic sectors (including Socialists), and surely of many thousands of voters who will shun "AD" when they discover the deception to which they were subjected.

As for the duration of the executive group, it will be curtailed; from now on, its days are numbered.

Its maximum foreseeable duration is 8 or 9 months, since it cannot make deepseated changes or act counter to the Constitution; and mainly because it lacks legitimacy and authority to do so without departing from the constitutional framework, and without taking a stand against the majority of the electorate which, as we know, did not vote for "AD."

If it attempts, as may be anticipated, to implement its plans announced in the "AD" campaign (an unconstitutional, antipopular and antidemocratic program), it will be directly opposed to the new Portuguese reality, to 25 April and to the interests of many of its voters themselves.

With the opposition of extensive sectors of society, its defeat is certain.

DN: Do you think that the Sa Carneiro government has all the facilities for governing until October 1980, with AD confirming in the next elections the victory of the interim ones; or do you believe, as the PS does, that the AD's victory was temporary?

OP: The "AD's" so-called "victory" was having won the majority of seats in the AR [Assembly of the Republic] with 300,000 fewer votes than the democratic majority.

A weak "victory," this one of the minority right wing which constitutes a narrow, precarious parliamentary majority that does not have the majority of the Portuguese people behind it.

The government has constitutional and technical facilities for governing, but, as I have already said, it does not have legitimacy or authority for making deepseated changes.

Its foreseeable action, detrimental to the national interests, those of the working population and those of vast sectors and classes of Portuguese people, will reduce even more its minority base of social and political support; and it will cause the base of support of democracy to become expanded and reinforced.

Moreover, the policy that it implements, or tries to implement, will not be the only factor deciding the "conditions for governing." The workers, the democrats, the Portuguese people will not allow themselves to be intimidated by the plans and threats from the reactionaries, and they will manage

to resolutely defend the liberties and the other conquests made by the revolution, the regime established in the Constitution.

The presence of a right wing government in the Portugal of April is not a new situation. It does not change, but rather reinforces this extremely important fact: The majority of the votes and of the people is on the side of the Portugal of April, and democracy is stronger than reaction.

DN: Would the hypothesis that the Communists will submit motions to reject the new cabinet during or after the presentation of its program be admissible?

OP: Motions to reject the new cabinet are one of the instruments within the scope of the vast range of possibilities for opposition offered to the political parties within the constitutional framework.

We refer the readers to the answer to the first question.

DN: Do you foresee a certain amount of political lull with respect to the new government's presence, or do you think that we shall experience a period of great instability?

OP: The policy announced by AD does not offer the country stability; on the contrary, it triggers new factors for political, social and military instability, and instability in the organs of sovereignty themselves.

From now on, the situation will be unstable. Observe the flimsiness of the right wing majority in AR; observe the uncertainty surrounding its social backing; observe the limits (which have already been mentioned) on AR and the government, both in time and in powers and functions.

Potential initial measures of a demagogic type, or a policy of "wolf in sheep's clothing" to conceal its subsequent objectives, will not hide the fundamental policies of the right wing, and of its parliamentary and governmental action (policies of yesterday for today and tomorrow, if you will): the defense of the interests of big capital, large estate holders and imperialists. Such a policy is a strong factor for instability, because it runs counter to the interests of the workers, the small farmers, merchants and manufacturers, the middle classes, the intellectuals and all the working people.

The Portuguese people have facilities for a successful battle against the expedient of arbitrary action, illegality, restrictions on the liberties and rights of the citizens and the use of administrative, repressive measures which the right wing will not fail to attempt, violently, in an effort to impose its policy, regardless of how outdated it is, and though it has been termed a period of "wolf in sheep's clothing," the duration of which is still unpredictable (remember that there are elections this year).

An attempt has already been made to impose such a policy on a people the majority of whom are on the side of 25 April, and on a country in which deepseated changes have occurred, and in which any reactionary program will clash with the Constitution (which cannot be changed except by the AR to be elected this year), and with the desires of the popular mass movement.

The result of these attempts came with the Mota Pinto government which, as we know, was a PPD [Popular Democratic Party] government (as is evident from the very composition of the present government, which inherited some of the "independents" from the Mota Pinto-PPD government).

Vitorino Magalhaes Godinho: A Monolithic Opposition Would Divide the Country in Two

DN: How do you explain the AD victory in the last legislative and local government interim elections?

VMG: Since the establishment of constitutional order, the so-called leftist governments have not changed the fundamental structures of the nation, nor promoted a reform in mentality. They have not pursued complete, coherent and fitting programs; they have not gone beyond the level of platitudes or stop-gap measures. They have run the economy without planning, and other sectors in the same way. The government has been confined to the horizon of the moment, and has proven itself incapable of going beyond symptomatology (unemployment, the deficit in the balance of payments); it has used only erroneous, anachronistic panaceas, with a fear of going to the bottom of things and demanding real austerity. It did not perceive that the entire transformation would be part of scientific and technical research and cultural creativity (there can be no inactive assimilation of techniques), and that the priority is the modernization of the country and its people, and development guided by humanistic values. Persisting in an obsolete supervision and not reorganizing production, it used the increase in prices to curb demand, worsening the discomfort of the majority. It frequently yielded to the "socialism of nabobs," and trusted blindly in aid from abroad (which should be resorted to only in a very limited way), and in the remittances from emigrants.

The so-called leftist parties have not offered ideologies that would win followers; they have fluctuated between disorganizing demagogy and timorous conservatism. The inflexibility of the non-Stalinist PCP made a leftist majority impossible, because 25 April did not take place to maintain a totalitarian state. The PS did not discover its own identity; it trailed behind the PC. And both persisted, at all costs, in defending indefensible private causes ("agrarian reform," warped into a collectivization without human dimensions or economic efficiency; a "National Health Service" of an archaic type, unsuited to our reality, and without regard for experience that has been gained, etc.).

The so-called left (which was no such thing) gave a very bad impression of itself; it proved incapable of teaching moral principles, of making this country morally fit, of establishing competence and of innovating. It became dissociated from public opinion; it proved unable to reorganize the political area, or to create genuine democratic and socialist forces which would, consequently, be deeply patriotic. It came to represent immobility, or authoritarian threats. The Pintasige government, with its preposterous "plan" of illusory leftism, its desire to exceed its own limits in order to endure, or at least create irreversible situations, gave the final hatchet blow to a "left" which not even an extreme-left succeeded in obtaining. That is why AD appeared as a hope for change, and for at least a certain amount of moral quality that the entire country desires, and enjoyed the advantage of an "open" program capable of avoiding a lapse into totalitarianism, even though we personally consider it inadequate.

DN: Do you have confidence in the action of this new government, specifically in the policy of change that it is attempting to establish in the country?

VMG: It is in the country's interest for this government to rule consistently with the program, and in the best possible manner, within its limits; not only because this nation is so debased and disrupted that it needs a prompt improvement, but also because only if this occurs will the Portuguese people have a means of assessing the value of the AD proposal, so as to voice an opinion later. And it is also in the interest of all those who think differently, and who have other plans; because the awakening of public opinion to types of democracy that would lead to the democratization of the various levels of national life, and the emergence of political forces to meet these noble, enlightened, necessary and technically programmed aspirations, depend on the coherent, effective action of the "liberal" (so to speak) forces. During these 9 months, the government, even if it wanted to, could not impose deepseated changes on Portugal (which needs them so much); but it would suffice if it governed with integrity and loyalty, if it cleaned its house, which is ~~no~~ dirty, a little, and if it began putting an end to the incompetent system that has remained entrenched. It must devise a strong, clearcut policy, attacking the problems which can actually be solved, and abrogate the torrent of legislation and regulations, and of hasty appointments, which are about to drown us, doing everything to mend the torn fabric of the nation, with good sense and self-effacement, but not hesitating to cut out evils by the roots. The more it succeeds, the greater the challenge to the democratic and socialist forces of the left (not verbose, nor repeating obsolete schemes).

DN: Do you think that the Portuguese left (PS and PCP) should unite in opposition to Sa Carneiro's executive group, or do you feel that those two parties have different roles to play?

VMG: We do not think that these two parties represent the "Portuguese left." Furthermore, the rise of the PCP should not delude us. What is essential,

first and foremost, is a deepseated civic action to enable authentic democratic and socialist forces to come into existence. Would the PS be capable of renewing itself from within? Thus far, it has not given any indications of this, but it would be extremely significant. It refused to listen to us (and the warnings were repeated); and the results are obvious. Will it listen to us now? What is essential is that public opinion produce new organized, conscious forces bearing attractive and productive ideologies and capable of working on programs with a strong design, and of developing groups of measures that are interconnected and effective. Could the PCP at least partially rid itself of its lifeless burden of "isms" to be surmounted? A monolithic opposition to the AD government would help to divide the country in two, and lead to a violent confrontation. And it would prevent the therapy that Portugal needs to extricate itself from the mire. Let us not succumb to oversimplification, in the belief that, if we merge all the forces which belong to AD together, and tell them "get thee behind me, Satan," as if it were a fascist movement, which it is not, it would only turn against the left. If the government is honest and artless, with efficient management and real openness, the political forces of the opposition should behave without preconceptions, and attempt to exert an increasingly complete influence in the direction of democracy (not to be confused with demagoguery). Thus, it may so happen that, in September-October 1980, the political field will appear with different parameters, and the blocs will be different then. It is up to the parties, from now on, to prepare the consensus for the constitutional revision, publicly discussing all the problems involved therein without hedging, misgivings or tactics. The Constitution cannot be maintained as it is beyond 1980, nor does it have to be replaced by another one that is entirely different. It must be improved, amended where it is lacking and purged of superficial qualities that would interfere with the selection of the model of society and civilization by the Portuguese people with complete liberty. The Independent Civic Commission insists on these points.

DN: Could the friction that has been evident in the Eanes-Sa Carneiro relations and the Alliance's break with the PR [President of the Republic] in the sense that it is not backing him as a possible candidate again, prove detrimental to the relationship between Belem and Sao Bento?

VMG: Only in Portugal do we consider problems in terms of interference in personal relations and the relations between the social roles that they play; in this case, those of the organs of sovereignty. Let us put an end to that confusion for once and for all. It would be inappropriate for any of the individuals involved if such interference should occur; and hence we are sure that it is not worthwhile learning whether or not there is "friction." It may possibly be necessary to deal with differences of opinion regarding the interpretation of those social roles. The ambiguity and equivocation of the president's action during recent years (for example, most markedly since the (necessary) dismissal of the Second Constitutional Government and now with the Pintasilgo government, which has not been put back on the

track that the framework established by the president stipulated) could pose some problems; but, since there is a parliamentary majority and a government which reflects it, I trust that they will be cleared up without "friction." Moreover, one of the urgent needs during these months until the future of the legislature is decided, is to determine the powers and authority, the role of the PR. All the parties must express an opinion with unequivocal clarity. As for us, we still choose the semi-presidential system, provided the vestiges of "military power" disappear (possibly military men who do not represent the armed forces and who are more "politicians"), and the conditions are arranged for presidential intervention in the event of so much disagreement in the Assembly that it precludes a stable majority (a stipulation for democracy). In this context, the selection of a civilian candidate is a democratic and national imperative, and it has nothing to do with this or that candidate. Hence, it cannot have any effect on the relations between the current PR and the executive group, and candid relations are a necessity both constitutionally and out of patriotism.

DN: Do you think that AD will remain cohesive and united or, on the contrary, do you believe that its heterogeneity and diversity could lead it to dissolution?

VMG: I think that it is in the national interest for AD to carry this governmental experiment to its conclusion. No one would gain anything by its dissolution before the campaign for the 1980 legislative elections. This stability is essential for the reorganization of the political area that we advocate to take place. A coalition is always heterogeneous and diversified. Of course, the heterogeneity can reach such an extent that the coalition has no reason to exist (or loses it). In the event that a genuinely democratizing left center, in the full sense of the term, should be formed, it is not unreasonable to expect the PSD to resume its social democratic course and become linked with it, thereby reducing the present state of opposing positions with a tendency toward extremes, which does not allow for the best solutions for the country.

Veiga Simao: Sa Carneiro Is a Guarantee of Democracy in Portugal

DIARIO DE NOTICIAS: What do you expect of this AD government? A policy of change? Do you think that this widely heralded change might cause the April regime to be jeopardized, as the leftist parties claim?

Veiga Simao: The Democratic Alliance, as a result of the association of the political parties: PSD, CDS, PPM [Popular Monarchist Party] and the Reform Movement, will attempt to govern the country as part of a commitment which embraces political forces ranging from the left-center to conservatives. It has become necessary to wait for the government's program and for the action of the various ministries in order to obtain an accurate notion of the forces which at this point are preeminent in the coalition and are leaders of its concrete action.

To some extent, the success of this government depends on the nature of the commitment among the forces which, if they remain loyal to their specific programs, demands of them an internal degree of understanding and tolerance that would prompt them to give up partisan or personal positions which so frequently are not in harmony with the bases of support.

In my opinion, and for reasons which should be deeply meditated, there is a unique departure from the European framework in the distribution of national political forces.

For example, in AD, the most important component calls for social democracy which has been diluted by several parties and which lacks a strong, balanced socioeconomic affirmation.

On the other hand, will the modern, development-oriented right, upon joining the Democratic Alliance, give up its plans or attempt to enforce them?

At the present time in Europe, when its associates in more advanced social phases are finding their attempts to gain power crowned with success, what will their conduct be?

Will the reforms that are necessary to the country be postponed because they demand sacrifices and work?

The easy temptation for keeping the AD forces united may be to assess problems, devise possible solutions, but to keep the socioeconomic status quo in effect, essentially. That might be the strategy for winning in 1980, and then acting in depth. Could this be the political commitment?

Hence, it is impossible to predict the near future, with the factor of the obvious exacerbation of the worldwide political and economic crisis, which poses threats to any government.

I have the vague feeling that, apart from attempts at efficiency in certain specific areas, we shall not be witnessing any spectacular changes.

In any event, all the predictions or charges that the AD government will jeopardize the April regime, defined as a democratic regime, are illegitimate and demagogic.

AD won the elections through the democratic system established in the Constitution.

The AD leaders and, in particular, the prime minister, Dr Sa Carneiro, are a sure guarantee of democracy in Portugal.

DN: As an observer of the Portuguese political scene, do you think that there will be some difficulty in the Belem-Sao Bento relationship, or do you expect good reciprocal relations?

VS: The Portuguese Political Constitution, which is in force until 1980, defines and limits the areas of action of the president of the republic and the government, specifically, the prime minister. Both assumed their positions within the constitutional framework, and have now gained fruitful political experience in controversial situations which the thorny path to democracy created for them. Both, cognizant of the "difficulties which an old kingdom has in amending itself," as our learned Ribeiro Sanches said, and acting on past experience, are individuals whom one expects to succeed in giving the national interest precedence over issues of the moment.

DN: There are some who predict for the near future a great instability caused mainly by a potential PCP-AD confrontation, from which a forceful response from the trade unions to this government would not be dissociated either. Do you think that we are heading toward this much discussed instability or, on the contrary, shall we be able to enjoy a certain amount of political calmness?

VS: I do not think that the Communist Party and the trade unions will be interested in overall instability that would lead to challenges without clearcut, exact objectives, aimed only at creating anxiety among the population.

Furthermore, an attitude of that kind would be reflected during 1980 in a stronger victory for AD and, strategically, it would consolidate its unity and the resultant greater bipolarization of Portuguese political life.

My prediction is that the PCP and the trade unions will react to individual measures of the government.

I would also note that a challenge made without reproach would only benefit the enemies of democracy.

DN: What do you think the role of the PS should be as an opposition party?

VS: In my opinion, and in the national political context, the PS should remain a great democratic party.

The policy of "negativism," marked by repetition of the criticism of the AD and PCP, should give rise to a policy of "positivism," becoming entrenched as a progressive movement capable of dynamizing deepseated social and economic reforms, and of seeking new and imaginative solutions for our country's problems.

Now that the golden age in which the PS was identified as a mainstay for the defense of democracy has passed, it has in its hands the challenge of the 1980's.

In this regard, the PS should proceed resolutely toward an efficient structure, and give up the image of a coalition of independents who offer for

vital problems solutions which differ from those set forth in the coalition's program, and which are at times contrary. Without detriment to the existence of various branches or persuasions which enhance the social democratic movement, and without detriment to unique, idealistic solutions which entail a thorough study of our problems, the PS must seek an area of inspiration for the Portuguese society within European Social Democracy and the British Labour movement.

Thus, the PS, as an opposition party, must give up the easy criticism of "reaction" and "totalitarianism" of the right and left, and offer the country its own solution to the serious problems besetting us. When confronted with the measures that AD will adopt, it must offer alternatives, so that the Portuguese people will know, unequivocally, its position in the realm of education and culture, health and labor, finance and economy, energy and the environment. It must give backing when that is in order, and it must criticize candidly when there is coherent justification.

The PS' role is to construct an attractive alternative for the 1980 elections.

If this does not occur, democracy will lose.

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CSO: 3101

EDITORIAL SCORES EANES' ATTITUDE TOWARD AD GOVERNMENT

Lisbon A TARDE in Portuguese 4 Jan 80 p 1

[Editorial by Torquato da Luz: "Memo of the Day"]

[Text] It was an unfortunate speech, that of the president of the republic at the swearing-in ceremony for the new government. Presenting a rosy picture of the nation's current economic and financial situation (a picture which by no means relates to the reality), Gen Ramalho Eanes attempted to lay the blame primarily on the executive group (which, as we know, is not a result of his proposal, but of the freely expressed will of the people) for a possible failure of the mission that has just been entrusted to it.

This is the only explanation for the fact that, while simultaneously praising the previous governments, the president of the republic obviously minimized the problems that the cabinet which has now taken office has confronting it in carrying out its plan to "change Portugal."

There is something flagrantly contradictory about Eanes' speech: On the one hand, the president thinks that everything was proceeding toward improvement for the Portuguese people; and, on the other, he admits the desire for change expressed by the latter.

The speech by the new prime minister was substantially different, and certainly realistic. Beginning by emphasizing the fact that the inauguration of the Sixth Government marked the end of a long political crisis, Dr Sa Carneiro then declared that the Democratic Alliance has assumed power, "not as an end in itself, but as a means of carrying out a proposed and accepted plan;" a power that will be exercised, primarily, with "complete respect for the men and women of Portugal."

The head of the new government admitted that it would not be easy to put a rapid end to a certain atmosphere of impunity that has spread in our country; but the difficulty of the task "will only cause the government to undertake it with more determination."

The country is waiting for the Democratic Alliance, countering the obvious skepticism in this regard expressed by the president of the republic, and

the obstacles which will not fail to affect the normal progress of its action, to succeed (as Sa Carneiro promised), on the basis of the concrete status of the people, to resolve their concrete problems.

The fact is that we are all tired of seeing ideological criteria take precedence over everything else.

2909

CSO: 3101

RPP OFFICIAL EXPLAINS REASON FOR ISTANBUL ORGANIZATION PURGE

Ankara YANKI in Turkish 24-30 Dec 79 p 5

[Interview with Imadettin Elmas, RPP General Secretary for Organization Affairs]

[Text] RPP Assistant Secretary for Organization Affairs Imadettin Elmas answers YANKI's questions about the Istanbul RPP Organization and the decisions made.

Question: Why did you dissolve the RPP executive boards in Istanbul and some districts?

Answer: They had adopted attitudes which prevented party development. And they did so without even offering a rationale. For example, they made a list of 3,169 names from Sisli and said that their membership requests had been rejected for various reasons. There was a total of around 15,000 of these.

Question: No rationale was offered at all?

Answer: It was said, for example, that some did not live at the address shown. On the other hand, citizens sent us photocopies of the deeds to their homes, proving that claim false. For example, some applied who were rejected by reason of "false signature" who insisted, "That is my signature." Then there were lists of hundreds of people who were first turned down then were told later by letter, "It was a mistake, we did not reject you."

Question: What is the use of blocking the registration of new members? Why did they do this?

Answer: In Istanbul, they had established a set balance. They did not want to upset this balance. Yet, membership applications become final after 6 months. They may have wanted to reduce this period.

Question: How does the new membership mechanism work?

Answer: Information given by citizens applying for membership in the RPP is processed and lists are sent to the districts and provinces where they will be registered. There, they are held for 6 months. If the RPP executive boards have no objection in this time, they are registered. Or, if they are rejected, the citizen has the right to appeal to headquarters. Now, we dissolved the boards and appointed new ones and we want to examine these applications again.

Question: What is the general membership in Istanbul and how many applied in the past 6 months?

Answer: In Istanbul, I do not remember the exact number now, but I think the membership is around 50,000 - 60,000. About 30,000 applied in recent months. About 5,000 of these provided insufficient information and were returned. The rest were sent for the waiting period, but Istanbul began handling them little by little. They are still coming in.

Question: Then how was this procedure handled before?

Answer: Before we had the computer and central membership control system, it was total confusion; members were not registered. The members choose the delegates, you know, so they are the basis of everything. If you have control of the selection of delegates, you have everything under control. If you do not register new members, you close the party to those who are not for you.

Question: What did you look for in your new administrative appointments?

Answer: Persons who are admired and respected in the community. They have to be so that they can work to strengthen the party. For example, Baki Nedim, one of our new appointments -- an RPP member -- is the mukhtar of Goztepe.

Question: What do you think the reaction of the general organization will be to these dissolutions?

Answer: Look, let me tell you this, part of the organization is frozen in cliques. But, aside from those, there is a basic RPP group. It wants to serve the party and the nation, not the cliques. We want to put them to work. If we can do this, the party, the nation and democracy will benefit. There are a lot of people who are not registered party members but who support the RPP from the standpoint of their beliefs and views and always vote for the RPP. We must win them and put them in responsible positions. We must get people on the job who are interested in teamwork, not the antiquated clique concept.

Question: Well, will things get worse after these decisions of yours? What will the people removed from their positions do?

Answer: This depends primarily on the new administrators. We will talk with them as much as we can. We will ask them to promote teamwork in their areas. We will help them in their efforts. We do not want to get rid of one clique and being in another. That is not what I am talking about. I would hope that the old hands would not fight the new arrivals and give them cause to harden into groups also. They cannot create a new clique.

Question: Baykal has reacted against this decision. He is criticizing it. Will the same thing happen in Antalya?

Answer: I have no reason to think so. But if there are any who would act as the Istanbul administrators have to block party development for personal reasons, we are determined to invoke the bylaws.

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'AYDINLIK' WARNS GROUPS NOT TO PROVOKE STATE REACTION

Istanbul AYDINLIK in Turkish 13 Dec 79 pp 1, 7

[Article by Oral Calislar: "Warning"]

[Text] One evening while visiting in Ankara, we heard the sound of voices chanting slogans, so we went out on the balcony to see. A group of students several hundred strong was marching through the streets of the quarter shouting, "Revolution is the only way" and "Let's join the resistance committees."

People returning home from work scattered left and right in confusion. Fear clutched at those waiting for a husband, a father or mother. A so-called revolutionary action had begun this way the night before.

Then weapons fired. We do not know whether anyone was hurt. The slogan-shouting groups scurried into side streets. A group of 10-15 passed by us.

What we were seeing was no different from incidents that occur every day in our country. But the society has reached the point where it can no longer tolerate such demonstrations. It has begun to react against the groups causing the rising terror. Most important of all is the matter of a strong state offensive against these groups.

Demirel is obviously making such preparations. An offensive against the groups which are instrumental to terror in various forms will put them in a bad light and no one will stand up for them.

Until yesterday, RPP protection, or at least tolerance, provided great comfort to these groups. They tyrannized, destroyed and seized positions within the state. They gained strength through the failure of any effective force to come out against them. They spread fear among the people and gained dominance in various areas.

We would like to issue them a final friendly warning. You are going bad. Get yourself together. You are quickly losing your friends. The people who support you are saying, "Enough." You know this.

The first thing these groups must do to ward off new attacks is to get rid as soon as possible of the Soviet line of provocation. Increasing agitation on behalf of the "fight against fascism" is pushing them more rapidly into Moscow's orbit. We do not know what good it does these groups to deliberately invite state terror upon themselves. We do know that every action which compels the state to crack down is a delight to the Turkeses, the interim regimers. Dev-Yol [Revolutionary Road] and such groups say they are opposed to an interim regime. But what they are doing favors the forces within the state which advocate a crackdown.

It is possible at the moment to turn from the false route which has been taken and to prevent many revolutionary youth from being cut down in their prime. Even so, time is getting short for being able to employ flexible tactics. The "fight tooth for tooth against oligarchy" line is fundamentally wrong and must be abandoned at once. The task of our time is to bring defeat to the anarchy promoted by Moscow and the Nationalist Action Party.

Revolutionaries set their tactics according to concrete analysis. Let the revolutionary groups take another, unprejudiced look at the condition we are in. Self criticism after each has been decimated will do no good.

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RPP'S PROVINCIAL ORGANIZATION PURGE DRAWS REACTIONS

Istanbul MILLIYET in Turkish 20 Dec 79 , 9

[Text] Ankara. Special -- Reactions have come from all opposition groups within the party to the General Executive Board decision night before last to relieve the RPP Istanbul Province Organization and five district executive boards of duty. In this context, Istanbul National Deputy Ali Topuz described the General Executive Board's decision as "a serious crime," and Antalya National Deputy Deniz Baykal said, "The purge policy guillotine has begun its work and the quest for a rose garden without thorns is on." RPP General Chairman Nulent Ecevit, meanwhile, has said the decision is a routine internal party procedure, declaring, "There is no question of anything one would call a purge."

Topuz

Istanbul National Deputy Ali Topuz, an opposition leader within the party, said the following in connection with the executive board's decision:

"I do not yet know the rationale for the decision. But if that is the rationale for the decision, it is a serious crime. It will open wounds that will be hard to heal. With the country facing great difficulties and experiencing great crises, I regret that such a great party should engage in this midnight raid sort of action in a way that will shatter and destroy party integrity when it ought to be above these incidents. I will make a broader statement after learning more about the decision. If that is the rationale for the decision, I will do everything I can for the resolution of this problem."

Baykal

Deniz Baykal said in his statement that "political life was going through a difficult period, the 22-month experiment in power had pointed up the need to undertake very basic and comprehensive preparations vis-a-vis the possibility of a new RPP administration." Noting that "they have to review the way they look at the country's current conditions and translate their statements, priorities and point of view into a realistic, down-to-earth understanding," Baykal said, "Our responsibility in this regard has become even more urgent with the Demirel government's being so quickly crushed under the crisis." Baykal continued:

"The RPP must prepare itself for power as soon as possible. It must seek and address it self to finding what it needs for a new administration which would not be like the past 22-month experiment in power. While these responsibilities and tasks await us, I am sorry to see internal party power struggles dominating the RPP administration. We cannot rebuild our weakened influence in the nation by forming our own organizations within the party. The purge policy guillotine has begun its work and the quest for a rose garden without thorns is on. My understanding of democracy, my respect for the rules and my responsibility to act logically require me to oppose the method of expanding internal party power by abolishing organizations, regardless of who employs this method and of whom they employ it against. While the task of formulating a program for the protection of the public, the nation and the democratic regime awaits our administrators, they would rather look for ways to protect their own power. Whether this is internal is a narrow view of the decision. The logic of events and society will overcome the logic of those who dominate our [party] administration. I look forward with this hope."

Asked whether overcoming the logic of the administrators would be accomplished by means of an extraordinary convention, Baykal declined to answer, saying, "You can find everything in my statement."

Ecevit

RPP General Chairman Bulent Ecevit, meanwhile, answered reporters' questions on the subject yesterday morning as he arrived to attend the Grand National Assembly joint group meeting.

Asked, "Is this decision taken following the board meeting the beginning of a purge?", Ecevit replied, "No, this decision is a routine internal party procedure. There is no question of anything one would call a purge." He was asked whether new dissolution decisions were expected in the days ahead in certain provinces and districts and replied, "There is no connection between your question and our recent decision." Ecevit added that he would be making a broad statement on the matter and, therefore, did not wish to comment further.

RPP Istanbul parliamentarians said in connection with the RPP General Executive Board's decision on the Istanbul Province Organization and the five district organizations that they would not make their views known until the executive board's decision was announced officially.

Istanbul Senator Aysel Baykal and national deputies, Aypan Altug, Cengiz Ozyalcin and Yalcin Gursel, said that they were not considering resignation from the party. "This is only our personal view. We will hold a meeting among ourselves as the Istanbul group. We will be able to make a general statement later," they said.

Istanbul National Deputy Necdet Ugur, meanwhile, said that he would make no comment on the decision. "If you have questions on this, you should ask the general executive board. They are the ones who made the decision, and they are the ones who should interpret it," he said.

RPP Istanbul Province Chairman Erol Unal pointed out they "had not yet been informed of a decision by general headquarters on this matter."

Unal said, "Let general headquarters inform us of its decision and rationale, then I will make the necessary statement."

Mayor Aytekin Kalil also said, "It means that the most important question in Turkey is the dissolution of the party's provincial organization in Istanbul. Give us 24 hours to be informed of the decision and rationale. We will certainly have detailed explanations."

Situation in Five Provinces

The names of those assigned to the RPP Istanbul Province Executive Board and the five district executive boards have been made public.

The following members joined the province executive board, which is headed by former RPP Group Deputy Chairman Fikret Gundogan, who is not in parliament this session:

Baki Nedim Balta, Faruk Balci, Demir Camlibel, Abdurrahman Ozgur, Muharrem Keceli, Sadi Bitirim, Ismet Taka, Zafer Sen, Ruhi Dikci, Selahattin Saroglu, Saban Ali Basaroglu.

The following are the names of those brought in as chairmen of the district executive boards:

Sicli: Fehmi Kir, Gaziosmanpasa: Huseyin Colak, Kadikoy: Sureyya Yonder, Fatiha: Ramazan Kilicaslan, Eyup: Vahit Calim.

Although the dissolution decision was unanimous, the general executive board was unable to reach a unity of view on the appointment of working committees for the purpose of preparing for the formation of new executive boards for these organizations. General executive board member Avni Gursay abstained in the voting on appointment of new working committees.

Arasli

RPP Kars National Deputy Dogan Arasli said that the RPP General Executive Board's decision was indicative of a trend which was neither good for the party nor the nation. Arasli maintained that the decision also seemed to be a crude attempt to make others pay for the election defeat on 14 October and said, "The general executive board is supporting the Demirel government with this disposition, which is designed to weaken the RPP and looks as though it will continue. The RPP public will definitely demand an accounting of this from the guilty parties."

Elmas

Assistant General Secretary for Organization Affairs İmadettin Elmas reported that the Istanbul Provincial officers had rejected approximately 17,000 applications for membership for insubstantial and nonregulation reasons, despite general headquarters approval. "This is why we had to apply the rule of the bylaws. This is not a purge. It is the removal of an administration with a mistaken attitude," he said.

Elmas said the following:

"I have no doubt about the loyalty to the RPP of those relieved of duty. Moreover, there is no ideological split between us. The day will come when these persons will return to these jobs, acting in keeping with the party bylaws. However, these colleagues of ours were relieved of duty because what they did was wrong and, in its present circumstances, our party has no room for error. Let me say immediately that while Mr Ali Topuz, who has come out in defense of the persons relieved of duty, was himself assistant general secretary for organization affairs, at least 10 times more organization administrations were dissolved. Their officers were relieved of duty."

Decision

RPP General Secretary Mustafa İstundag sent to Province Chairman Erol Unal the general executive board's decision on dissolving the Istanbul province and five district executive boards following the 18-19 December meetings.

According to the RPP headquarters press office release, the general executive board's decision is as follows:

"Resolved in General Executive Board meeting, 18-19 December 1979:

"A. That Istanbul Province Chairman Erol Unal and the Executive Board members should be relieved of duty in accordance with article 41/A of the Party Code, the board having determined their extensive and comprehensive actions, procedures, attitudes and behavior contrary to articles 3, 4, 5, 9 and 28 of the Party Code and the membership application directive and having determined the extensive and comprehensive action, procedures, attitudes and behavior contrary to the same of Istanbul Province Chairman Erol Unal,

"B. That, for the same reasons, the Eyup, Fatih, Gaziosmanpasa, Kadikoy and Sisli district chairmen and district executive board members also should be relieved of duty in accordance with article 41/A of the code.

"C. The Province Executive Board has been formed of the members whose names and party registration numbers are listed below, under the chairmanship of Fikret Gundegan.

Names of the chairmen and members appointed to the administrations of the districts aforementioned are attached. Excepting the chairman of Sisli District, appointments will be made, according to code and directive regulations, by the Province Executive Board. I request that you be informed and take the necessary action."

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PANEL DISCUSSES ECONOMIC OUTLOOK FOR THE '80'S

Istanbul MILLIYET in Turkish 30 Dec 79 pp 2,11

[Panel discussion led by journalist Ali Gevgilili; Participants: Dr. Besim Ustunel, RPP Senator from Istanbul; Dr. Enre Gonensay, Bogazici University faculty member; and Dr. T. Gungor Uras, General Secretary of the Turkish Industrialists' and Businessmen's Association; Prepared for publication by Ayce Uzses]

[Text] Ali Gevgilili: Calendars are now showing the final days of the 1970's. During the '70's, both Turkey and the world experienced a great many remarkable events. Economic and social life, in particular, have been deeply influenced by these developments.

As the 1980's begin, almost every society is engaged in seeking lasting solutions to its accumulated problems. The problems on the agenda, including rising inflation, severe balance-of-payments difficulties, and economic crises which sometimes create conflicts with social and democratic aspirations, are not of a nature as to be easily or simply resolved.

The purpose of this forum is to discuss the principle real problems of the Turkish economy, in particular, at the threshold of the 1980's. In the forum, not only will we attempt to elucidate the causes of the problems, but an effort will be made as well to evaluate the various measures and remedies suggested for 1980 and beyond.

Senator -- and Professor -- Ustunel, what should our attention be drawn to in today's world from the economic standpoint? How does the Turkish economy shape up at present? What sort of factors lie behind the economic difficulties that we suffered in the 1970's? What are the basic realities that all the crises are beginning to put before us on the socio-political plane?

From Abundance of Foreign Exchange to Dearth

Prof. Ustunel: As we go into the 1980's, the Turkish economy is faced with extremely important problems. And not only Turkey, but foreign circles, as well, who could aid in rescuing Turkey from this crisis, are engulfed in major problems themselves.

During the period 1970 to 1974, the Turkish economy was influenced by the extremely positive effects of the foreign economic conditions of the time. The favorable world economic situation, the rapid increase in the foreign-exchange remittances from workers employed abroad, and the fact that the prices of goods sold abroad were rising faster than those of the goods imported; all combined to create conditions which steadily favored Turkey during this period.

But the petroleum crisis which began at the end of 1973, and the great increases in petroleum prices which followed, created an unexpected state of affairs.

When the negative elements born from the poor administration of economic policy during the 1970's are seen in conjunction with this situation, it becomes even more evident why it has not been possible to come up with solutions for the crises which have plagued us from about 1974 until the present.

Poor economic management has been the case not only in Turkey, but in the West as well. The West has made only very slow and totally inadequate progress towards restructuring its petroleum-dependent economy to accord with the new conditions. And, today, it has obviously begun to pay the penalty for this.

As for Turkey, it was a nation whose foreign exchange reserves, until 1974, had been rapidly increasing, and which consequently was attempting to liberalize both its economy and its consumption patterns -- and a nation, as well, which had become accustomed to spending that foreign exchange in an extravagant manner.

When the economic environment suddenly changed, however, Turkey entered a period in which it experienced an extreme shortage of foreign exchange, followed by both high unemployment and violent inflation.

Unstable Middle East in 1980's

One positive side of the 1970's, when compared with the 1980's, is the fact that, in the years until now, the nations of the Socialist Bloc have not entered the world petroleum market. During the 1970's, these nations did not need any portion of the Middle East's petroleum. But, in the 1980's, the petroleum in the socialist states of the Eastern Bloc will become insufficient, and these nations will thus turn toward those petroleum resources by which the West is currently supplied.

Within such an environment, the world's balance of economic, military, and political power will have to be reformulated to accord with the new conditions. The Middle East will be impelled into a much more volatile situation. For Turkey, a nation which possesses great importance within the Middle East and whose internal problems are very much petroleum-related, this situation is a matter which must be dealt with very carefully. If the economic problems which began in the 1970's can be resolved, then the problems arising from the oil situation could be somewhat alleviated as well.

No Solution Without Winning the Public

During the 1980's, to expect positive economic developments such as those experienced during the first four years of the 1970's is simply not reasonable. Consequently, those who direct the Turkish economy during the coming decade must accurately evaluate all the objective data from both domestic and foreign sources and find a solution to the nation's problems through democratic means.

What are the problems?

- There is the violent inflation within the country, and the high cost of living which this inflation has brought about.
- We are experiencing a severe shortage of foreign exchange, which has a detrimental effect upon the general economic situation.
- There is widespread and chronic unemployment.
- The unequal distribution of wealth and income is gradually exacerbating the lack of social justice.

In resolving all these problems, Turkey's leaders must not posit democracy itself as a cause of them. And the tack that it is impossible to put the economy right without endangering the democratic system is invalid as well, since, as long as the economy is sick, democracy won't be safe anyway.

- The problems are of such a mass nature that, without obtaining the support of the masses — that is, without finding a democratic solution — it is simply not possible to take severe measures. Thus the only valid course for the administrators is as follows:

Since it is not possible to ignore the economy and still keep the democratic system alive, the basic strategy must be to rescue both the Turkish economy and Turkish democracy at the same time.

The primary principles of the remedies can be established as follows:

- The people should be told the truth, in complete and utter honesty.

- After this, the means of solution should be revealed to the public, and it should be fully explained just what sorts of sacrifices will be expected, and what sort of contributions they will have to make.

All the various layers in Turkish society who today are saying "What can I get from the state?" must be cured of this mentality and imbued with the attitude that says "What can I contribute to society?" If the social environment can be developed along these lines, then both the economy and the democratic system will attain a much stronger foundation.

New Scenarios for Middle East

Cevgilili: Actually, as we go into the 1980's, the Turkish economy has already attained a certain dimension; but, at the same time, this has caused the problems to grow in the same degree. Dr. Conensay, what are Turkey's basic problems as of the end of 1979? What causes them? What does the agenda for 1980 augur insofar as rapid solutions?

Dr. Conensay: As we stand on the threshold of 1980, it is clear that the severe economic crisis which has plagued the Turkish economy for several years will become even more severe. The causes for the crisis can be listed as follows:

- There is violent, rampant inflation.

- The foreign trade deficit has increased even further in comparison with 1978.

- The deficit in current accounts will perhaps remain at the 1978 level. Yet even this development, which could perhaps be evaluated as positive, is not actually a development which indicates any fundamental improvement in the foreign trade crisis, as it has arisen only from the temporary increase in workers' remittances resulting from the policy of "premium exchange rates" applied to those remittances.

- Production has declined, and the rate of increase in national income has begun to decline as well.

As we look at the 1980's, it is obvious that, even apart from developments within Turkey itself, the world situation as a whole is becoming more difficult. This fact also is of a nature which prevents any swift solution to Turkey's problems. The world economic crisis is primarily caused by the energy crisis. And the fact that approximately 80 percent of the West's petroleum requirements are being supplied from the Middle East puts this region into a very critical situation. Accordingly, it is quite possible that very diverse scenarios will develop during the 1980's. For

Turkey to be affected in a positive manner by this overall situation is extremely unlikely. Other than being very alert to all the developments, there does not seem to be much that Turkey can do about this situation.

Inflation a Political Phenomenon

It is quite clear that, if the crises Turkey suffered in 1979 are not to become even more severe during 1980, serious measures will have to be taken.

The necessary measures, which have been pointed out for years, are known to almost all: a limitation on inflation, a more realistic exchange-rate policy, elimination of deficits in the KİTs [Public Economic Enterprises], a restriction of state expenditures, etc. However, the political problems which lie behind these matters are gaining more and more importance. To put off the necessary measures on the grounds that they would endanger the democratic system is not a valid approach. Henceforth, rather than the nature of the measures themselves, it must be the political courage and spirit of self-sacrifice required to carry them out that must be stressed.

When we look at the main reasons which lie at the root of inflation — Turkey's number one problem — we see the following:

Inflation is essentially a political phenomenon. Just as first starting inflation gains one votes, putting an end to it loses votes. This situation is seen clearly in the matter of the budget. A budget deficit means giving the public more than they pay for, while a budget surplus means taking more from the public than they receive. While the former eventuality wins votes for the politicians, the latter causes them to lose votes. However, when one must set the economy in order, it is necessary to take from the public more than they pay for.

This economic and political crisis, observed in all nations, has been experienced in an extreme form in Turkey over the past several years. In order to solve the basic problem, either great political courage, or else great "skill" at not losing votes, is necessary.

Struggle with Inflation Two-Sided

Actually, it is necessary to stop inflation slowly. In Turkey within recent years there has been such an expectation of inflation that it has actually surpassed the expansion of money and credit that finances the inflation. That is, wages and prices are rising even faster than the forces that finance the increase.

The remedies for this are as follows:

- Money and credit can be expanded at the same rate as the rise in inflation; this is the easiest route from the political standpoint.

The increase in money and credit begins to lag behind the inflationary expectations, and then, after stagnation and unemployment have started, both price increases and inflationary expectations can slow down. Accordingly, those who intend to halt inflation must resign themselves to a period of stagnation.

- Another possible remedy would be to reduce both prices and inflationary expectations. To slow down the expansion of money and credit and at the same time "discount" inflationary expectations accordingly, and thus inculcate the public with the belief that inflation is slowing down, would be a very efficacious but at the same time extremely difficult remedy.

Closed Economy Strangling the Nation

Gevgilili: Dr. Uras, what are the problems and areas within Turkey's current economic crisis that should have priority? How are these matters reflected in daily life, both today and over the long term? As we go into the 1980's, what are the lessons which the existing situation teaches us? And, what clues are there as to the framework within which real solutions will be found?

Dr. Uras: We are entering the 1980's with problems whose solutions are difficult but not necessarily impossible. As for a solution, what is required above all else is informed and resolute economic management.

The 1980's are inheriting a Turkey which is about to be strangled by inflation, and which is suffering greatly by not having "opened up" to foreign markets. In general, the problems that have arisen have been attributed to poor conditions within the world economy, the increases in petroleum prices, the agricultural makeup of the Turkish economy, and its efforts at industrialization. However, it has often been forgotten that Turkey is not the only country in the world that is caught up in the process of industrialization.

A number of countries, with economic structures similar to that of Turkey, have succeeded in surmounting the difficulties of the 1970's. And a large portion of these have resolved their difficulties through democratic means.

Turkey's most serious economic problem during the 1970's has been our oil debt of 2 billion dollars, and our inability to pay for our import needs of 5 to 5.5 billion dollars, both of which problems are the result of our failure to orient our economy toward sales abroad.

Neither Imports nor Exports Sufficient

These import needs and petroleum debts shouldn't be impossible to pay for in a country like Turkey, which has a population of 45 million and a per capita income of over 1,000 dollars. The whole problem is that the nation doesn't have enough foreign exchange income to pay even these relatively moderate bills.

- About 10 percent of Turkey's national income goes for imports. In other similar countries, however, this figure is much higher. The approximate share of national income going to imports is 25 percent in Greece, 30 percent in Portugal, 25 percent in Yugoslavia, and 50 percent in Taiwan. Turkey is thus unable to pay for even the smallest percentage of imports in this group.

- Turkey earns only about 5 percent of its national income from exports. When we look at the other countries, the figures are: Greece 11 percent, Spain 10 percent, Portugal 14 percent, Yugoslavia 14 percent, and Taiwan 57 percent...

- While, in the nations in question, the rate of growth in exports is between 20 and 40 percent, this rate remained at the 15-percent level for Turkey in the 1970's. Again, while 50 to 70 percent of the exports of the nations in question were industrial products, only 35 percent of Turkey's exports are industrial products. In fact, even this figure represents "forced" industrial products, as olive oil packed in cans or packaged figs can be included among this category of products.

Oligopolistic Economy Oriented to Domestic Market

As Turkey has not "opened up" to foreign markets, its economic structure has begun to be distorted. As there are no controls over price or quality within the nation, a production structure which relies on excessive "protection" and which is oriented almost exclusively toward the domestic market is at work. Thus an oligopolistic system has arisen. Incredible profits have been realized due to a lack of effective competition. As successive governments, which merely stood watching as the income distribution was gradually distorted due to all these factors, lost their control over the economy, hopes of collecting taxes disappeared as well. Thereupon, the political administrations began to carry out their work by merely printing money.

Turkey is going into 1980 under the pressure of extremely severe inflation. The volume of banknotes in circulation has increased by 62 billion lira during the past 11 months. This is an increase of around 54 percent. As for credit in the Central Bank, it has increased by 117 billion lira in 11 months, having thus increased by a factor of 3.5 since the beginning of 1977. Similarly, it is said that the budget, which was 106 billion lira at that time, will have risen to 540 billion in 1979.

In 1979, the state distributed great amounts of "assistance". The total assistance, made primarily for sugar, fertilizer, gasoline, and meat, amounted to 150 billion lira.

Buying and Selling Instead of Investment

After all these various factors are considered, we must consider it a virtual miracle that Turkey is entering 1980 with an inflation rate of only around 70 percent.

Under the influence of this type of economic structure, investment in both the private and public sectors has greatly slowed over the past few years:

- Over half of the expenditures observed in the public sector are for the wages and salaries of workers and technical personnel.
- As for investment in the private sector, it has changed both quantitatively and qualitatively. Stress has begun to be placed on investments in small industry and consumption-oriented businesses.
- The sick state of the KITS is being treated as a normal state of affairs. The sickness of this giant, however, is gradually infecting the entire economy. It is said that the debt burden of the KITS, which had a total production of 300 billion lira in 1979, reached 190 billion lira during the same year.

In the private sector, the structure of Turkish industry, which is just in the foundation stage anyway, is becoming distorted as a result of the closed economy and rising inflation.

For some time, only industries oriented toward inflationary demand have been developing. Production may remain at the same level, yet the goods produced are those goods which will satisfy inflationary demand. In general, a flight from actual production has begun, and everyone has instead moved into the easier and more lucrative business of "buy, hoard for a while, then sell."

As for finding work, it appears to have become a thing of the past. While declining production and investment and the deteriorating state of labor relations are causing a reduction in the number of those currently employed, new job openings are simply not being created.

While the number of new, insured workers hired in 1979 was 14,000, the number of newly opened and insured workplaces was 77,000.

Various governments have endeavored to take measures to remedy this distorted state of affairs in the Turkish economy, and they have started to come up with "packages of measures." Since August 1977, Turkey has tried out five different "packages." In spite of these packages, however, the lira has gone from 19.25 lira to the dollar at the beginning of 1977 to the rate of 47.10 lira to the dollar at the end of 1979, while, on the free market, the rate has gone from 36 lira per dollar at the beginning of 1977 to 60 lira per dollar at the beginning of 1980. Thus the Turkish economy is entering the decade of the '80's under the weight of problems that are very serious indeed.

Flight from Currency, Inflation Tax Continue

Cevgilili: Professor Ustunel, for Turkey to surmount — over both the short and the long term — the various multidimensional crises which are being caused by such a variety of both foreign and domestic factors, what sorts of new approaches are called for? In particular, on the matter of remedies which could be suggested for the year 1980, what sort of considerations should be included, and what areas should be stressed?

Prof. Ustunel: Today, all sectors of our society are finally able to concur upon the intensity of the economic crisis, and on the fact that this crisis cannot be resolved with superficial remedies. Everyone has finally understood that miraculous-sounding solutions just won't do the trick. Consequently, by determining all the facts and making them quite clear to the public, it should be possible to make "a good start" as we enter the 1980's.

Turkey has been suffering from inflation since about 1972. Every measure which has been taken so far has merely postponed the "flight from currency," but, in the end, has served to stimulate the public's tendency to convert their holdings of currency into other goods.

When one looks at past years, it is observed that, in almost every year of the 1970's, the rate of inflation increased about 50 percent over the preceding year. Faced with this, the political administrations in Turkey chose to constantly print money. Thus, they attempted to carry out their duties by collecting a sort of "inflation tax." If, after this, a serious effort is not made to reduce the rate of inflation, the sums of money which must be printed will become even greater.

The main measures which could be taken are as follows:

- 1) Instead of an "inflation tax," it is essential to introduce a sounder method of taxation. The argument as to whether a proposed new tax reform program would be congruent with social justice or not has ceased to be a relevant topic, for, under the current conditions, no type of taxation could be as inimical to the cause of social justice as inflation.

- 2) The KITS, which are the second greatest cause of inflation, although established as the "locomotives of development," have turned into impediments that, because of incorrect policies, actually hinder development. Instead of ensuring "justice" in the distribution of income, these enterprises have begun to create millionaires thanks to the resources of the state. Consequently, very serious reform measures are needed here as well.

- 3) In order to provide the private sector's needs for financing, the resources of the Central Bank have been mobilized, due to the pressure exerted by the private sector. This has also stimulated inflation. The Central Bank must steadfastly resist these pressures from the private sector.

Even if, domestically, the rate of inflation can be restrained, this would still be insufficient to overcome the foreign-exchange crisis.

Basic Condition: Structural Change

To restrain the rate of economic growth is also insufficient, and could even be harmful to a certain degree.

So what must be done?

Without any doubt, the basic essential is to transform the structure of the Turkish economy so that it is oriented toward foreign markets. This goal requires that very significant changes be made in the distribution of domestic resources, these changes being realized according to a definite plan and within a specified time period. However: this course of action could result in a decline in the profits of large-scale capital institutions, which have been making extremely high profits due to the violent inflation in Turkey. Additionally, "economic deterioration" could be prevented, and a sounder, more efficient economic system could be attained. This is the first stage in the transition from crisis to growth.

The foreign-exchange crisis which is plaguing Turkey should not be seen as a merely temporary phenomenon. If the crisis is dealt with as being contingent upon the OPEC nations, and if it is considered that the organization hikes its prices at least once a year, then clearly the state of the economy must be adjusted to accord with these facts. As a result of OPEC's decisions to raise petroleum prices in previous years, Turkey has been obliged to pay billions of dollars abroad each year out of its national income. This state of affairs has greatly restricted both the consumption and the savings of the public. The measure to be taken here is to convert energy production from petroleum to other resources, within the limits of domestic resources, and to plan both industrial activity and energy consumption according to these new conditions.

Belt Tightening to Last At Least Three Years

Cevgilili: In the solution of these problems, the implementation of a package of short-term remedies has become more urgent. Dr. Conensay, a package of this sort, which could make possible a transition to somewhat better conditions in 1980, would encompass what areas, in your view? How could the struggle against inflation and the problems of exchange-rate policy be dealt with? And what sort of structural changes should be considered in order to resolve our domestic and international economic difficulties?

Dr. Conensay: Since the primary problem in Turkey is explosive inflation, the first short-term measures taken must be aimed at halting that inflation. And the measures are clear. The essential thing is to be

able to carry out these measures with courage and a spirit of self-sacrifice, from the political standpoint. Until now, measures have to some extent been applied with the idea of "making a show." The dose has never been adequate.

Today, what must be done first of all is to clearly convince the public that a three-to-four year period of "belt tightening" is required. It must be explained sincerely that prosperity may be that far away. Apart from this, the claim, using promises with which we are all familiar, that Turkey's economy will be set right in 1980, is simply invalid.

It is not easy to reduce inflation. This can only come about gradually. In the years to come, even if the inflation rate can be reduced, we will still experience decreasing yet still high inflation rates. The important thing here is to reduce the side-effects created by inflation.

First Priority: Just Tax Reform, Exchange-Rate Change

What are the side-effects of inflation?

1) The inequitable income distribution arising from rapid inflation must be corrected with an effective program of tax reform. In order to remedy the plight of those on fixed incomes, especially, as quickly as possible, it is essential to make prompt changes in the system of taxation.

2) In a society with such high inflation, savings are wiped out, and it is impossible to stimulate savings. And the proposals of indexing in order to eliminate the side-effects of inflation have generally been unsuccessful. With inflation at 70 percent, such a system of indexation, as well as similar proposals, cannot give positive results. Thus it must be accepted that, for a few years, savings will remain at a low level, and investment decisions must be adjusted accordingly.

3) An additional side-effect of inflation is the tendency for a breakdown in the connection between internal and external prices. And even if the adverse side-effects created domestically by inflation could be somewhat alleviated by means of measures such as tax reform or indexing, it would still be impossible to surmount the most important foreign factor, that of the foreign-exchange shortage. For the problem here is foreign currency, and it is simply not possible just to print foreign currency.

For this reason, another key matter in inflation is currency exchange and exchange-rate policy. It is unfortunate that, in Turkey, devaluation is something that governments are afraid of.

Rising Costs of Foreign Goods Must Be Prevented

In order to resolve the exchange-rate problem, the following measures are necessary:

- The question of exchange-rate policy must be kept out of day-to-day political controversy. By ensuring that changes in the rates are made either by the Central Bank in regular periodic adjustments, made automatically, or by free exchange among banks which deal in foreign currency, the topic of exchange rates could be removed from the political arena.

- It is necessary to promote the view that changes in the exchange rate are a necessary reform, and that they must continue. Everyone must realize that, in a nation where there is such a high rate of inflation, the rate will be adjusted frequently. Those who either earn or spend foreign exchange must adjust their investments, their production, and their plans accordingly.

The exchange rate will be the most urgent problem of 1980. And, in order for inflation not to increase due to foreign purchases when the rate is adjusted, a comparable relaxation of import duties must be applied when the exchange rate is raised. Turkey's task today is not to make foreign purchases more expensive. Foreign purchases have already been reduced to a minimum level. In order for devaluation not to create a psychology of rising prices every time import costs increase, this sort of tax relief could be applied. This would have another positive result as well, as it would work toward reducing the price differences between goods sold on the domestic market as substitutes for imports and similar goods sold for export. It should be possible to enter into a long-term, positive policy in this regard.

High-Level Dialogue with West Necessary

Turkey must be ready for a period of "belt tightening." This will also make up for the times in the past when belts were not tightened.

- From the standpoint of domestic policy, the longer the new period lasts, the better, as the austerities endured each year will be just that much less. However, as the period is extended, the time for the economy's reaching equilibrium and its securing stability in foreign economic relations will be extended as well, and the need for more foreign financing will arise.

- However, Western institutions which will supply the financing, such as the International Monetary Fund, want this period to be as brief as possible.

This is a natural desire on the part of these foreign institutions.

What must be done, therefore, is to shorten the period of "belt tightening" on the one hand while at the same time endeavoring to make foreign financial circles accept as long a period as possible on the other.

At this juncture, the necessity arises of being able to engage in a high-level dialogue with the West. These are matters which surpass the level

of the IMF groups which come to Turkey. And "opening up" our economy toward foreign markets is important here as well, for, with such a move, the period required to reach equilibrium by means of radical changes in such areas as exchange rates and infusions of foreign capital could be extended a little further.

Turkey is basically a closed, blocked economy. At first, foreign financing can be brought into a closed economy. But in the stage to which Turkey has come, it is impossible to secure a great deal of financing from abroad. In order to bring this about, the structure of the economy must be changed completely, and it must be "opened up" to the world economy as a whole.

Programs Lacking Comprehensiveness Harm Public

Cevgilili: Dr. Uras, as the package of measures becomes concrete, what matters have first priority? With what approach should we deal with an economy which is clogged up and barely functioning? In the short term, what all is necessary in order to supply the requirements of the economy and, at the same time, reconcile the necessary changes with Turkey's attachment to democracy? How can the extensive resources in the public sector be more effectively utilized?

Dr. Uras: In general, "comprehensiveness" has been lacking in the measures taken in Turkey. Every sort of economic measure is considered, then perhaps instituted, but, as a result of inadequacies in either timing or scale, society, which pays for it all, receives little or no benefit.

The public, which has expected benefit but received harm from every package implemented so far, shouldn't be overly optimistic about the fifth package, which is currently being implemented.

As a result of dealing with day-to-day problems, governments have gradually become unused to seeing the economy as a whole. The previous government became concentrated almost exclusively on two matters: obtaining cooking oil and obtaining petroleum... As for the new government, conditions have forced it to devote itself to the problem of meeting the daily need for petroleum.

However: the foreign exchange office of the Central Bank hasn't been functioning for three years, while governments appear totally insensitive to the question of just who is carrying out this function which the Central Bank has lost. A state which has lost its economic strength has also lost its authority. Just as other groups are taking upon themselves the economic functions of the state, they are also attempting to usurp the state's other functions as well.

There is only one way out of this in the 1980's. And that way entails informed economic administration. Whatever path the economies of the

world end up following, Turkey must follow this same route as well. The crisis will not be surmounted without hardship. The price must be clearly faced and accepted, and the crisis surmounted as soon as possible by accepting whatever hardships are necessary.

Another point is the necessity to act with sincerity in whatever budgets and plans are prepared. If the 1980 program is drawn up on the basis of a 6.5 percent growth rate, 7 billion dollars in imports, and 3 billion dollars in exports, and if an economic policy predicated on these figures is pursued, this is simply not sound.

In 1979, the government included 9,120 investment projects in its program. In addition to a number of small and unnecessary investment projects, the second portion of the Keban Dam was included among these projects. In practice, although sufficient financial resources were provided for the other projects, only nine million lira were left for the second portion of the Keban Dam.

One Hundred Priority Investments Must Be Completed

If the government is going to provide direction to the economy, then it must abandon the 9,120 different projects and devote itself to the 100 "most significant" projects. When the requirements of these 100 projects have been met and work on them has been completed, things will go much better overall.

Another important point is not losing hope insofar as the KITS are concerned. In the years to come, work should be carried out so that their production can be increased as much as possible. In 1979, an export target for each KIT was established. Yet the same enterprises were able to reach only 30 to 40 percent of their production goals, let alone export targets. And to hand this potential, which represents half of the economy, over to party organizations is a sin.

Sound Taxation, Reasonable Profits

Furthermore, the government must endeavor to find secure sources of taxation and to ensure discipline in the economy, which would prevent excessive profits. It is necessary to begin on this at last, even though it will be difficult.

In addition to all these measures, the Turkish economy must be opened up to the world economy as a whole. The first stage here is to increase exports. Exports cannot be increased by means of cross-border trade, promises to governors and ambassadors, and resolutions.

Exports rise only if they are profitable. As for ensuring this profit, this is in the hands of governments. Governments can ensure the flow of funds towards exports.

All of these things are measures which can be successfully implemented by means of resolute and informed economic management. It is sufficient that those responsible for managing the economy act with sincerity and resolve.

Devaluation Alone Cannot Open Up Economy

Gevgilili: Prof. Ustunel, how can the "opening up" of Turkey's economy best be achieved?

Prof. Ustunel: The opening up of the Turkish economy to the world market is really very important from the standpoint of reviving our economy. But can this be achieved merely by letting exchange rates fluctuate? In some situations devaluation is beneficial, but in nations like Turkey where it is impossible to control prices, it is very difficult to carry out a real devaluation. A very short time after a monetary devaluation is carried out, all domestic prices are raised so as to more than counteract it, and so we come once again to the starting point. Things being like this, there is no possibility of re-orienting the domestic distribution of resources toward foreign markets.

In such a situation, continual devaluations will occur, and this will lead the Turkish economy into great difficulties. For this reason, both investment planning and "effective planning" from the standpoint of the distribution of resources should be utilized in combination.

For some time, Turkey has had two basic needs:

- energy production, and
- production of goods which can be sold for foreign exchange.

However, the pricing mechanism by itself is not adequate to achieve this. It is finally necessary for Turkey to give priority to some sort of physical planning, and to investments which will limit domestically-oriented investment and stimulate production aimed at export.

In one sense, it is impossible not to concur with the policy of "belt tightening." Yet if this is applied in the sense of producing more and consuming less domestically, it will be more beneficial.

Why Isn't "Real" Policy Applied?

Gevgilili: Dr. Conensay, what would the conditions be for implementing a "real" monetary policy, a "real" investment policy, and a "real" policy of fighting inflation in Turkey?

Dr. Conensay: The management of exchange rates in accord with a more realistic exchange policy is doubtless an inescapable element of opening up the economy. But, it's not the only way to do this.

And for a real devaluation to be made, the real money supply must also be reduced. It is just this that is meant by belt tightening. If the increase in real money supply and demand can be successfully reduced, then a real devaluation has been made. In this way, inflation gradually is left behind by rising prices.

If this cannot be done, a monetary devaluation can still be carried out. This is not a real devaluation, but at least the gradual increase in the currency's value is prevented. That is, the status quo is maintained. If this is not done, either, the value of the Turkish lira will rise a little every day, and even the status quo will not be able to be maintained.

As for the question of investment oriented toward the domestic or the world economy, it is difficult to make such a classification these days. What is meant here is this:

In real terms, Turkey should consume less than it produces, so that resources may be left over for export. Rather than physical measures, the creation of export capacity by restraining real demand and supply seems here to be a more appropriate solution.

Turkey's basic problem is that, while working to restrain inflation, a fall in productive capacity has occurred due to the foreign exchange crisis, and great price increases have resulted. Thus the policy of monetary belt tightening, in its true significance, is actually seen in this state of affairs.

Longed-For Solutions

Cevgilili: The following points were made clear in the forum that examined the state of the Turkish economy at the threshold of the 1980's:

- 1) In the later years of the 1970's, Turkey experienced both high rates of inflation and balance-of-payments deficits. The 1980's, particularly the first 3 or 4 years of the decade, must be a period in which the inflation rate is gradually reduced, and a new equilibrium is brought about in the economy.
- 2) The struggle against inflation and foreign-exchange shortages is not as easy or as simple as was once thought. The fact that the programs carried out so far have been unable to show any great degree of success has been a function of the failure of the measures proposed to be sufficiently comprehensive and the inadequacies of the political authorities in implementing those measures.
- 3) In the years to come, Turkey must orient itself toward a dual transformation. As a series of structural changes are made without delay in order to strengthen and, in certain ways, oversee the internal economic

structure, it is necessary that these changes be achieved as quickly as possible. In the area of foreign economic relations, it is becoming even more essential that Turkey be assured the conditions that are necessary for a certain period if she is to reach her goals.

4) Turkey's industrial structure, in both the public and private sectors, is finally at the level of being self-reproducing. Thereupon, the way out of the crisis must be to take the direction of "more production instead of more consumption," utilizing all available resources and mobilizing the voluntary and democratic participation of the entire society. The economy must be brought to the point where it can function and solve its own problems within the framework of social justice.

The solution thus lies not only in Turkey, and not only abroad. And just as important is to have all these various factors integrated with Turkey's attachment to a superficial and dramatic style of living.

That the 1980's will begin in a manner that gives rise to hope from this standpoint is the fervent desire of everyone in Turkey.

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PANEL DISCUSSES ANTITERRORISM LEGISLATION

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[Panel discussion among Prof Dr Lutfu Duran, member of the Istanbul University Law School teaching staff; Prof Dr Nevzat Gurelli, director of the Criminal Law Institute, Istanbul University; Orhan Apaydin, chairman of the Istanbul Bar Association, and Ali Gevgilili as the moderator; the panel discussion was edited for publication by Nilgun Alacakepten and Ayce Uzses]

[Text] Gevgilili: Turkey has been for some time now considering legislative measures against terrorism. The JP [Justice Party] minority government announced its endorsement of the "package" prepared earlier by the Ecevit government and is asking the assemblies for support to enact the drafts into law.

In addition to a number of amendments to several laws already in the books, the package also contains a proposal to issue a new law covering emergency situations. Meanwhile, in all likelihood, the State Security Courts Draft Law of the post-12 March era will be brought back to the agenda after several revisions.

In our forum today we will ask Turkey's leading authorities on public and criminal law to join the chairman of the Istanbul Bar Association and review for us the rationale and the factors in the search for a series of antiterrorism measures, the positive and negative results we should expect from those measures and what they think should be done in the way of long-term measures.

Professor Gurelli, how do the modern criminal law and criminology explain the frequent terrorist and anarchist incidents in Turkey? What means do political and public authorities have to stop such incidents? What is the root cause of terrorism?

Gurelli: Before we discuss terrorism and anarchy, we should define the environment they act upon.

The energy system we call "the society" has, as all other systems do, an order. The system exists and functions within that order. The stability in this system, again as it is in other systems, has a dynamic structure. This is not a fixed stability. When upset, it can be reestablished immediately.

Insofar as these disruptions and restorations of stability remain within certain dimensions, there is no danger to the society. However, when the order, the stability are substantially disturbed, or to put it in another way, when the disruption assumes a dimension that presents a threat to the existence of the system itself, we have a crime. A crime, then, is a human act which disrupts the order. These criminal acts are rated in importance on the basis of the degree of harm they inflict upon the order.

Certain crimes appear on the surface as if they are not directed at the social order. Some others may seem to have nothing to do with the individuals in the society. In the final analysis, however, all crimes are directed at the social order.

At the top of the list of criminal acts intended to upset the social order come terrorist acts. Some of them, depending on the motive, may be anarchic. Terrorism, however, is a wider concept. It may manifest itself as a crime against a single individual, such as murder. When you take the motive behind it, however, a terrorist act is in a category entirely separate from an individual crime.

Primarily, terrorist acts are "organized" crimes. In that respect, a terrorist act committed by an individual does not fit in the concept of terrorism. In terrorism, the basic rule is organization.

Another peculiarity of terrorism is its "political" nature. Overt or implied, the motive is political.

Primary Question: Coping With Root Causes

When terrorism is rampant, the need for a solution, for a step designed to restore order and stability to the society is undeniable. The solution has to be found in the light of the factors that led to the disruptive acts. Our primary target must be the cause, it must be attacked directly, otherwise, battling against the manifest, undesirable results will not solve anything. There is no way to stop these criminal acts unless we eradicate the root causes.

The government and the state have certain weapons they can use in their drive against terrorism and other crimes. Foremost among these weapons are the security forces and their function. Then, there is the judicial mechanism.

Administrative measures that may be taken under the state's authority are yet another weapon.

Be that as it may, however effective these weapons may be, they still cannot by themselves put a decisive stop to all disruptive incidents. Nowhere in the world can the police prevent all types of crimes, or catch all criminals. What is possible is this: every individual must be made fully aware of the functions of the police and other anticrime vehicles. Crime can be controlled to the degree that this can be accomplished. Otherwise, neither the police, nor any other force will deter criminal acts.

To sum up, measures which rely solely on the effectiveness of the police will not work. They have to be supplemented with certain long-term measures.

Gevgilili: Professor Duran, what should be the basic philosophy in our search for effective antiterrorist measures? What is the gist of the problem in terms of civil law? How much should we expect from emergency type legislation and initiatives of a similar nature? What do we do for a gradual return to normalcy?

Duran: The situation we have in Turkey today did not materialize overnight. Incidents began no less than a decade ago, increased in intensity over the years and culminated in the present situation. We cannot think of what is happening today as a fire, or a storm, or any other natural disaster beyond our control. The roots of incidents of such duration will have to be deep-seated. Let me elaborate on this.

The policies which Turkey followed after the World War II, coupled with the social changes that took place in the country within the same time period, dragged the country into certain bottlenecks. There would have been none of these bottlenecks had the appropriate measures been taken on time. These incidents which disrupt the public order today can no longer be considered "superficial and temporary." The malady has over the years penetrated the texture of the structure.

Under the circumstances, if we must use a natural disaster analogy, the situation in Turkey today resembles an earthquake, rather than a storm. It is comparable to a human settlement built in a quake belt which is shaken up periodically when pressure builds up at the roots. You cannot explain a social phenomenon by comparing it to a natural disaster. The measures proposed by the authorities today are designed to put an end to the temporary manifestations of the malady. They can be effective temporarily, if at all. They will not cure the deep-seated ills.

Constitution Does Not Recognize Emergency Regime or Government

We must supplement short-term measures with long-term ones. The solution, whether short- or long-term, must be sought within the framework of the Constitution. There can be no argument about it because Turkey is a state of law.

The Turkish Constitution's response to the question of what should be done to maintain security in what is referred to as "an emergency situation" can

be found in its endorsement of the martial law regime. Other than that, the Constitution makes no provisions for a harsh emergency measure.

The martial law regime, which has been in effect for a year now in 19 of our provinces, was proclaimed because the conditions under which the Constitution allows it were in existence. Even so, it is hard to claim that incidents have subsided after the proclamation of martial law. That is why, the government is talking of taking new legal steps to cope with this extraordinary situation.

What is envisioned in the Constitution, however, is not an "extraordinary" regime to safeguard public order and welfare. It is, rather, a peacetime regime under which citizens shall be charged with additional obligations in order to alleviate economic and social problems.

To resort to this regime for security purposes is out of the question.

Moreover, a government which will implement the emergency measures taken within the framework of the Constitution cannot be characterized as an "emergency government." The Turkish Constitution does not classify governments as "ordinary" and "extraordinary." It simply talks of "a council of ministers." Furthermore, in Turkey, executive organs cannot have under an emergency regime the authority that the Constitution of the Fifth French Republic grants to the head of state who is given truly "extraordinary" powers. In the French case, all constitutional organs are suspended and all the powers of the state are transferred to the president. Today in Turkey, the Council of Ministers gives the impression that it would like to take the president's place. In reality, there may not be such an intention, but the way it was put certainly created the impression.

Basic Solution: To Organize the Civilian Sector

Besides, considering the type of public organizations and the quality of the administration in Turkey today, it will not be easy to establish an emergency regime. In the past 25 years, instead of moving toward modernization, Turkey regressed. So much so that we may as well be in the days before the First Republic. The administration is very weak. It is having a hard time coping with what should be considered a normal situation. It is highly doubtful that it can handle an emergency situation.

Take any country in a crisis, efforts to restore normalcy cannot produce fruit when only the public sector is involved in those efforts. All citizens and private sector organizations must get into the act. But let's not forget that the "civilian" sector must be organized and guided by public organs and authorities. We must also keep in mind that it is impossible to put an end overnight to such a deeply rooted and drawn-out crisis.

Official Ideology, New Forces

Gevgilili: Distinguished Apaydin, what should be the primary consideration in our search for antiterrorist measures? How effective will the proposed

measures be in controlling the tangible and widely debated manifestations of the crisis? What is the picture when we look at the crisis and terrorism in the context of the society and the democratization process?

Apaydin: The steadily escalating terrorism in Turkey is a phenomenon of our time which demands immediate attention and must be halted as quickly as possible.

Terrorism manifests itself in Turkey generally in the form of political murder, but there have been other incidents also, ranging from arson to mass murder, as the case was in Kahramanmaraş.

When we study the background of today's events, we realize that terrorism against the state began after the 1961 Constitution went into effect, which brings to mind the following questions:

Did the 1961 Constitution set off terrorism? Or, do we have an insurgency against the order established by the 1961 Constitution?

Until the 1961 Constitution, terrorism in Turkey was committed by the state itself. It was an era where everything carried the stamp of the state's official ideology. The multiparty system was adopted, but there never was a veritably pluralistic order. Political parties, which were formed in accordance with the state's official ideology, became embroiled in a power struggle, and in the meanwhile, the question of the political organization and free expression rights and freedoms of the social classes was largely ignored, the working class was denied legal means whereby it could join in the power struggle.

We see that this climate of the pre-1960 era was complemented by a tendency to ban all ideas which support the interests of workers, or are based on the scientific doctrine of the working class. In this climate, various provisions borrowed from the Fascist Italian Criminal Code created the concept of the crimes of thought. The working class was deprived of the right to organize and to wage an economic struggle.

The 1961 Constitution, on the other hand, inaugurated a pluralistic democratic order.

The new Constitution removed the restrictions on the freedom of thought, laid the groundwork for the formation of a socialist party, even though Article 141 of the Penal Code was still in effect.

We witnessed a rapid social development after 1961. Meanwhile, people who believed that this dynamic climate posed a threat to the established order adopted types of behavior which rejected this constitutional order and deterred efforts to make it a part of everyday life. The government formed after the 1965 elections took a stand unmistakably against the Constitution.

That was the struggle which bred terrorism. Terrorism by the state, which in the pre-1961 era denied freedom to whoever espoused certain ideas, left its place in the post-1961 era to a type of terrorism which bullied, intimidated, and at times killed individuals on the street.

1971 Regime and Terrorism by the State

Under the 1971 regime, terrorism by the state once again became sovereign over the society. It was argued that "the 1961 Constitution, by virtue of its unqualified respect for the individual's rights and liberties and its overly democratic features, is a luxury the society cannot afford."

During the 12 March period, the Constitution, which at any event was never fully implemented, was bound and gagged on grounds that leftist terrorism had to be stopped.

The Constitution was transformed into an antidemocratic document through amendments restricting rights and liberties. Parallel to those efforts, courts of an extraordinary nature were created to try crimes against the state, particularly crimes of thought. These were semimilitary special State Security Courts [SSC], composed of government appointed judges and designed to remain outside the independent judicial organs. In that era, these measures were offered as a solution to the problem.

Legislative steps had to be taken for some of the constitutional amendments to be operational. The SSC draft was enacted into law in 1973.

What Does the Package Propose?

[However,] a number of draft bills designed to restrict individual rights and liberties for the purpose of preventing violence never made it to the parliament.

These proposals for constitutional amendments, which failed to become law even during the Nationalist Front era, were taken out of the 12 March files and placed on the agenda by the justice minister of the RPP-dominated "prodemocracy" government. The following steps were taken:

- *Changes were proposed in several laws on public security and police services.

- *The SSC concept, having lost its effectiveness, was replaced by the concept of "Specialty Courts," which were, in effect, special political courts.

- *Efforts were undertaken on the basis of a misinterpreted version of Article 123 of the Constitution to form an "emergency regime" of an unrestricted duration.

Now, the JP minority government is trying to capitalize on the groundwork already laid down by the previous government.

Restricting freedoms is again offered as a solution to terrorism.

At this point, we must ask ourselves: What is the objective of terrorism in Turkey?

Terrorism, primarily, is organized, as Professor Gurelli pointed out. What is, then, the objective of the organizations which carry out terrorist activities?

Terrorism in Turkey today is intended to destroy the democratic order founded on human rights and freedoms. Not even constitutional changes will satisfy these terrorist nuclei. Terrorism has not stopped by the formation of the JP government.

Terrorism Wants Dictatorship

Terrorism wants, above all, the establishment of a fascist dictatorship.

All these developments cannot be isolated from the economic crisis the country is experiencing. There is no doubt about it. The crisis and terrorism are interrelated.

If that is the case, how do we end the crisis?

Each social class proposes a solution favoring its own interests.

The trends which look forward to a fascist dictatorship argue that putting a stop to the economic struggle and political demands of the working class, and formation of an authoritarian regime of a temporary nature can save the system.

Here, the question is, if the objective is to save the system, why do we have to restrict rights and liberties?

To stop terrorism, we must broaden democratic rights and liberties, instead of limiting or suppressing them. Full implementation of the Constitution, recognition of unrestricted freedom in the areas of organizing and expressing one's ideas will strengthen the society's resistance against fascism. Restricting the basic rights and freedoms will serve, if anything, the purpose of terrorism.

An Authoritarian Regime Will Not Solve Anything

When considering a set of measures proposing to resolve the terrorism issue basically by restricting rights and freedoms, we must give thought to the following:

Martial law has been in effect in Turkey for nearly a year now. In areas where martial law is in effect, it is already permissible to search individuals, to restrict the rights of associations, and to ban meetings, demonstrations, and under certain circumstances, even funeral processions.

These restrictions are in effect, but terrorism continues. To put it in another way, the martial law experiment demonstrates that restricting freedoms is not the way to stop terrorism.

Will expansion of the martial law administration's powers change anything?

Suppose the 15-day detention period is extended to 30 days? Considering that terrorists are not caught, or escape soon after their arrest, what good would it do to lengthen the detention period? It will be applied, if at all, to people suspected of crimes of thought.

The martial law legislation, which was pushed through the assemblies in the 12 March period, already grants extensive authority to martial law administrators. Making the legislation even harsher does not seem like a useful step.

SSC Will Not Produce Expected Results

Gevgilili: Professor Gurelli, under the current conditions, what are the short- and long-term measures Turkey needs to overcome its problems? In the light of the contemporary criminal laws, how useful will new legislations be in our drive against terrorism? Are the draft laws effective? What should we concentrate on to resolve the problem?

Gurelli: Neither the state's security forces, nor the judicial machinery are efficient enough to bring terrorism to a complete stop. At any rate, these forces can be effective insofar as they can influence the individual's actions and make a strong impression on his mind.

Short-term measures to control terrorism may be the following:

*The effectiveness of the police force must be enhanced. The police must project an image as close as possible to the individual's "ideals." If we publicly concede that the police force is demoralized, or if we give that impression, we have lost a very valuable weapon. Therefore, our primary task should be to reestablish discipline in security organizations.

*It is argued that creation of an extraordinary court system--such as the SSC--will be useful, in that it will help rapid finalization of court cases involving certain crimes. In essence, however, this is only an attempt to create "an image," because:

1. The SSC are not authorized to initiate a case. They can try someone only when he is brought before them. They will be useless unless the security forces gather evidence and present a sound case to the court.

2. Whether a case is disposed of rapidly will depend on how much the courts will have before them. If the calendar becomes overcrowded, the SSC, just like the other courts, will not be able to finalize a case in a short period of time. At the beginning, they had little to do and they created

an image of an authoritative, rapidly functioning court system, but once the case load began to grow, the cases referred to them dragged on just like the cases before the civil courts. This is obviously not a question of a new type of courts. What we need is a general reorganization of the judicial machinery.

Civil courts are under erosion today. How can you expect anything from a mechanism functioning under such adverse conditions? In our courts, finding a new typewriter ribbon becomes a major problem today.

Did We Solve Anything by Restricting Freedoms?

Restricting freedoms is not a solution. If it were, shouldn't we have had some results by now? "To expedite matters" was the justification offered for those restrictions. If we had to "expedite matters," what should have been done has nothing to do with restricting freedoms. We must remember that when the public order is disrupted, two interests come into conflict--the society's interests and the individual's interests.

The answer to the problem is to keep these two sets of interests in an equitable balance, and in our efforts to find this balance the society's value judgements must be our guide and yardstick.

In searching for measures against incidents that disrupt public peace and order, we must primarily concern ourselves with the root causes of those incidents. Professor Duran correctly stated that what is happening is neither a "storm," nor a "fire." This is a sore which has infected the social structure. The characteristics of the social structure will lead us to the source of the problem:

A large majority of Turkey's population are young people. It will be useful to take a look at their psychological and sociopsychological attitude.

*The period of life from early teens to the age of 22 is a time when youths search for their identity. During this process, they rebel against their parents and the society. This is the stage in a youth's life when he becomes an easy "prey" for manipulative forces. He can be conditioned without any difficulty, and he becomes totally dedicated to the ideal of his choice. These "obsessively militant" youths are ready to sacrifice anything at any time.

*This isn't the only reason why youths become alienated from the society. As we all know only one-tenth of the thousands of youths who apply to universities each year are accepted, and there are no efforts to help the rest carve out a life for themselves. These youths, turned away from universities, fall behind the social forces which promise an outlet for them.

A solution to this problem is one of the first among the long-term measures we must find.

Another long-term measure concerns the "existing conditions" in Turkey; in other words, we must improve Turkey's socioeconomic structure.

Giving a rational shape to the country's educational policy is another sorely needed measure.

We Have Many Unenforceable Laws

Today in Turkey we have no problem with laws. Let me put it in another way. There isn't any law in Turkey today that may hinder what we want to do. The problem is our preoccupation with issuing unenforceable laws in the belief that problems can be solved with new legislation.

The laws we have in the books now do not keep the Turkish police from performing its duties. In fact, laws enacted after 1971 give the police vast powers. So much so that a police officer is authorized to shoot a suspect who has not surrendered to authorities within a period of time specified by the Ministry of Interior.

It is apparent that security forces, the judicial machinery and the administration are granted extensive powers. The question is whether these powers are used for their specific purposes. This is the gist of the problem. At this point we must admit that, outside of a psychological effect, which by the way is highly debatable, new legislation will be of no use at all. Let me also stress that any new legislation must remain within the framework of the Constitution.

Emergency Regime Cannot Be Permanent

Gevgilili: Professor Duran, which basic rules, norms, or concepts of the Civil Code should be taken into consideration when writing new legislation? What are the prominent features of the measures as they stand now? What kind of sound methods or means can be developed for the short- and the long-term?

Duran: Ignoring a long-term solution and implementing stopgap measures will only invite more trouble. The Constitution tells us what kind of long-term measures we should take. We must take these steps at once, but no one has paid heed to this aspect of the crisis. Instead, we are following a course of "browbeating," by taking purely police measures and using repression.

As for the latest draft bills, all I can do now is to evaluate them on the basis of what we have learned about them from the press and from the chairman of the Istanbul Bar Association here today, because none of those texts have been submitted to a review by interested scientific institutions. Consequently, my evaluation should be weighed in that context.

Generally speaking, the drafts can be studied from two aspects, form and essence. In terms of form, my opinion is as follows:

1. The laws selected for amendment are laws that must be implemented in ordinary times also. Inserting emergency amendments in them may lead to the permanency of the emergency regime. To avoid it, we should either pass

provisional laws, or place those amendments in the martial law legislation.

2. A number of emergency laws adopted by the 12 March 1971 emergency regime were challenged, and the Constitutional Court repealed those laws on grounds that they were unconstitutional either in form or essence. Issuing similar laws with the full knowledge that they will probably be repealed is not a proper practice in a democratic state of law. Therefore, we must take the Constitutional Court's rulings into account and contend ourselves with whatever is realistic and feasible.

3. Instead of bringing in incomplete and incoherent texts on the excuse that the bills are urgently needed, we must give painstaking attention to their preparation. To enact those drafts into law in their current state will surely cause immeasurable harm in the future.

Laws Which Remain on Paper

As to the essence of the proposed bills, I would like to call attention to the following:

There is a gap as deep as a chasm between what the text of the law says and what is implemented. A case in point is the curfew under martial law. Civil authorities are enforcing curfew in their jurisdictions even after the martial law is lifted. Sometimes provisions under a law are not enforced, and other times provisions which are not in the text of the law are implemented. Another case in point is the proposed bill to authorize the police and the gendarme, in emergency situations, to search a person or his vehicle. This is already a widespread practice even though it is illegal.

In France, where there is an authoritarian legal system, the opposition's rejection to authorize judicial forces to search private vehicles was upheld by the Constitutional Council and the president could not do anything about it. Granting such a power to the Turkish police and gendarme, considering the type of training they get, will be tantamount to putting in their hands a weapon, which even France finds antidemocratic, with the full knowledge that it will be grossly misused.

SSC and Beyond

Meanwhile, as we are all aware of, there are attempts to set up special courts. The proposal says that the new courts will not be like the SSC. Under the proposed bill, the civilian judges will be appointed by the Supreme Council of Judges, but the military judges will be named by military authorities, as the case was with the SSC. Under the circumstances, it will be hard to talk of a restructured SSC.

Whether the new powers proposed under the Provincial Administration Law for officials on the administrative level will be of any use, in view of the

fact that these officials are unable to use the powers they already have, is another question altogether. Administrative officials are required to check with the central political organ before taking any decision involving the use of their new powers, which means these powers will be used to serve the objectives and the interests of the political organ. Another point that needs to be stressed at this time is that the political party in power looks upon high-level administrators as an extension of its own political views, and therefore, replaces them with its own people. This practice is harmful to the society. At a time when public security is of a primary concern, changing all provincial governors and security chiefs cannot be advisable, especially when you think that some of the new administrative officials will go to their appointments without any prior knowledge about the area. If there is a question of "partisan" behavior, it is far better to punish the guilty administrator through legal means than to replace all administrative officials. Punishment may also serve as a deterrent. To believe that all provincial governors and security chiefs are devoid of good faith or are inefficient is nonsense. Such sweeping changes, coming at a time when a relentless drive is of primary concern, put into leadership positions people who know nothing about local conditions. The criticism applies not only to the current party in power, but also to the earlier one which lost its chance of remaining in power longer on account of its similar misguided policy.

To sum up, draft measures must be studied in depth, and then, discussed with relevant authorities, before they are enacted into law.

Democratic Order Might Be Harmed

Gevgilili: Mr Apaydin, what is actually proposed in the draft laws which make up the package? What should we expect from them in terms of judicial technique and enforcement? How do we find the best solution under the existing conditions?

Apaydin: The "package" contains a set of amendments to various laws. As a matter of fact, dealing with a number of separate laws in one draft is unsound in terms of legal technique.

The following should be highlighted:

1. Unless there is a court order, a person, his papers or documents cannot be searched, the immunity of domicile cannot be violated.

Under the package, however, an amendment to the Law on the Functions and Powers of the Police empowers the police to enter any house, or search anyone by obtaining permission from the district administrator's office.

2. There is also an amendment to the Associations Law with the intention of keeping associations, which are a natural channel of expression, out of politics. Under the amendment, any subject related to the administration of the country comes under the monopoly of political parties, which are

corporate bodies. No other organization will be allowed to become involved in politics.

How can we expect an association to discuss matters of interest to it by isolating them from politics in its wider sense? This is out of the question in a democratic order. Lobby groups are the hands and arms of democracy.

Think of it, if the amendment passes, a bar association will not be able to discuss an amendment of this type. There is no place for such a practice in the democratic concept of our age.

3. Another proposal is to amend the Assembly and Demonstration Marches Law to extend the "notification period" prior to the demonstration to 72 hours, and to empower administrative authorities to postpone the rally or the march for a period of up to 8 days. Under the circumstances, it will be virtually impossible to organize a rally or a demonstration in connection with an unexpected development.

None of these measures can resolve our problems. On the contrary, they may hurt, may even destroy, the democratic order.

Veritably Free Climate Needed

There may be courts like the SSC in France also, but there they don't have a law that makes expression of ideas a crime, as Articles 141 and 142 [of the Turkish Penal Code] do in Turkey.

What difference will it make if the [civilian] judges of the SSC are selected by the Supreme Council of Judges?

Primarily we must ask ourselves which judges will want to serve on the SSC?

After all, a judge is a human being also. The Supreme Council of Judges will select the members of the SSC from among a number of candidates. A judge will agree to become a candidate for an SSC seat only if the concept of the court is harmonious with his own beliefs.

The right to trial in an independent court before an independent judge has certain peculiarities. In Istanbul, for example, 30 judges conduct trials in six high criminal courts, which means an individual will be tried in one of those six courts by one of those 30 judges. However, when you reduce his chances of trial in a small number of courts by a very small number of judges, you are also limiting the assurances of his getting a fair trial.

There is the risk that a judge may grow callous after repeatedly handling the same type of cases. A judge who hears a wide variety of cases, ranging from violations of Articles 141 and 142 to common theft, will be able to acquire a sense of relativity and develop his concept of justice.

That is why, we must oppose the idea of setting up special political courts.

The National Protection Regime of 1929 avoided forced labor even under the conditions of the time, but introduced, among others, the principle of obligatory labor. If we are going to accept terrorism as a justifiable excuse for the proclamation of an emergency situation and place our citizens under new obligations, we must stop and reconsider several things.

We can, by adopting an "obligatory labor" rule, suspend as long as necessary the negotiated contract and strike mechanism without taking recourse in martial law. We can open the avenues to the establishment of an authoritarian regime without suspending the Constitution.

If we really want to put an end to terrorism, the best way to do it is to place the 1961 Constitution into force in its true spirit, and to educate the people. Some of our people are not adequately educated. They have been told that certain ideas are tantamount to treason. That is why, they turn to terrorism.

These people could not have been so easily conditioned had we created a climate of freedom and enlightenment.

The Turkish society's needs will be met, not by taking the antidemocratic path, but by deepening the democratization process.

We must transform Turkey into an enlightened land by firmly securing the individual rights and liberties. We must enlighten the society by the brilliant lights of knowledge. We must make the principles of pluralistic democracy sovereign. The Constitution's democratic spirit must be part of our lives. Banning certain ideas will lead the society to violence.

We do not have a legal vacuum. What we have are shortcomings in the enforcement of the laws. For example, the chief prosecutor mechanism which was set up to monitor the activities of political parties is yet to function effectively. We can reach the nuclei of organized terrorism through the sound operation of certain mechanisms.

The state must be able to move against the terrorist nuclei in total neutrality, and we must create the right conditions for it. Purges which further crippled public administration gave a number of people with certain tendencies an opportunity to protect criminals. I can cite for you countless cases to prove my point.

Turkey is in desperate need of a fair administration and effective constitutional guarantees.

Solutions

Gevgilili: During our discussion on the proposed measures against terrorism the following points were stressed:

1. Terrorism and turmoil are not the outgrowth of a short-lived natural phenomenon, but the consequence of a prolonged social phenomenon of a structural nature. The first step we must take is to bring about an effective reorganization of the society's civilian forces. The futility of restricting rights and freedoms has been clearly demonstrated by the past year's events. Emergency practices have accomplished nothing.

2. There is no shortage of laws and authority in Turkey. There are, however, a large number of laws which are not enforced. An orderly and efficient public administration is an indispensable requirement in the implementation of measures. When administrative officials have no job security, the police force cannot project a good image, and the judicial machinery cannot satisfy even its simplest needs, such as a typewriter ribbon, it becomes obvious that Turkey needs a reorganization of its administrative structure.

3. To set up, in the short-run, new political courts with emergency powers which will discharge their duties with celerity, or to grant extraordinary powers to the state, or to the government carry considerable risk because emergency regimes have a way of gradually assuming permanency, and that may set off deeper crises and lead the democratic constitutional order into a severe bottleneck.

What is basically needed in Turkey is to put into effect dynamic solutions which will open the way to a full realization of democratic rights and freedoms.

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FORMER INTERIOR MINISTER TALKS ABOUT GUN SMUGGLING

Istanbul CUMHURİYET in Turkish 16 Dec 79 p 6

[Interview with former Interior Minister and RPP Senator Hasan Fehmi Gunes by Erbil Tusali]

[Text] Ankara (CUMHURİYET Bureau) -- Former Interior Minister and Sakarya RPP Senator Hasan Fehmi Gunes has said that state policy on "prevention of arms smuggling" must be reviewed.

Stating that the dimensions of arms smuggling had reached the point of affecting Turkish democracy, Gunes pointed out that creation of public demand for taking up the matter at the international level was indispensable.

The Sakarya RPP senator stressed that the basic problem is "the search for ways to dry up smuggled arms at the source, rather than collect them after they have entered the country." Hasan Fehmi Gunes answered CUMHURİYET's questions as follows:

Question: Would you explain the relationship between violent incidents and arms smuggling?

Answer: Arms smuggling is a very important topic from the standpoint of violent actions. The large majority of weapons used in incidents of violence has been found to be foreign made and to come from external sources. Violent activists get their guns from abroad. Violent activists are encouraged and equipped by arms which enter the country by way of smuggling.

While struggling against violence, it is necessary to approach it from the angle of disarmament. One spirit of world disarmament discussions is essentially this: "If nations had no arms, they would have no wars." Then: "If activists had no arms, they could not engage in armed actions." It is necessary to isolate them from arms, to disarm them, insofar as possible. One way to isolate them from arms is to cut off arms smuggling. To block arms smuggling.

Because the sale of arms is illegal in Turkey.

A Long Time

Question: What seems to be the dimensions of the arms smuggling?

Answer: Arms smuggling has been going on in our country for a long time, because we all know that the Turkish people have a tendency and a desire to bear and keep arms. In order to satisfy this desire, smugglers, using this desire and even exploiting this desire, look upon it as a market appraisal. And they procure the arms to satisfy this desire illicitly abroad and sell them.

One kind of arms smuggling grounded in this desire has been going on for a very long time. Now we are seeing the second level in the period of violent actions. When violent actions become armed, volatile and hot, arms smuggling increases also, because violent activists need arms. This need is a very important market for the smugglers.

Question: You said desire. Does not the lack of physical security also give rise to the tendency to obtain arms?

Answer: There is a question of this approach also in recent years. The Turkish public was accustomed to the use of arms in the years when terror had not reached great proportions. With terror gaining dimensions in Turkey, everybody gives importance to keeping and bearing arms from the standpoint of his own security.

A Day Will Come

Question: Do personally-owned weapons have a potential from the standpoint of violent incidents?

Answer: No, not really. Ninety-nine percent of those who carry a gun carry those few kilograms of iron all their lives and never once use it. The important thing is the arms flow to organizations. And, despite law 6136, I do not think that this law has worked for the Turkish people for a long time. I believe this law needs to be revised to conform to the tendency of the Turkish people. In my opinion, it is an easy matter for anyone who has a gun to register it. And it is realistic.

A day will come when the guns which people have bought for their own security may get into the hands of the organizations. Then, there would be a question of great danger.

Arms Contractors

Let us turn to the subject of size. Arms smugglers have increased the size of their operations to meet the arms requirements of the violent activist organizations. Arms smugglers have expanded in keeping with this

growth in the internal market. They have gone into cooperation with the organizations and accepted contracts for their arms requirements. In a sense, the arms smugglers have become arms contractors for the violent activist organizations today. Intelligence information is of a nature to document certain smugglers bringing arms from abroad on order by the organizations.

We see that the proportions of arms smuggling grow even more in the period of violent actions. That is, arms are smuggled in connection with the organizations. The dimension of arms smuggling in our country varies with the political events in the region in which we live.

Events in the Region

Events in the Middle East affect arms smuggling among us. For example, the events in Iran have greatly increased arms smuggling here. They have had the effect of stepping up arms smuggling. The mechanism works like this. The events in Iran created a significant demand for arms. Iran began buying arms everywhere to meet this demand. There has been such a stream of arms from Anatolia to Iran that even hunting rifles, even the hunting rifles made in our country, are caught up in it.

Anatolia has thus become a bridge for the movement of arms to Iran. Of course, with the arms from Anatolia entering Iran, the demand for arms in Anatolia must have reached the saturation point. It is impossible for arms to be going from Turkey to Iran unless the demand for arms of the new violent activist organizations are fully met and unless the demands of the people who want them are met.

Anatolia has become saturated with arms in the process of meeting Iran's arms demands. Thus the tremendous proportions which arms smuggling has acquired in this period have become an issue for Turkey.

Open Roads

Question: How do the smugglers get the arms?

Answer: Arms come into our country first by sea and also by road. We can look at the sea entry in two important categories. There are the arms brought in indirectly on special craft via the Danube. These craft come to the Black Sea and switch boats in the Black Sea. Or they approach directly. There are also the ones that come by open sea. The other way, that is, the arms arriving over land, are usually brought into our country on TIR trucks. These things are not unknown to the public.

What Source?

Question: Would you inform us as to the source of purchase?

Answer: You mean, I think, what exchange do smugglers pay for the arms. It is necessary to say this: The arms come largely from the West. So, within your question, there is the question of how the arms smugglers send foreign exchange there. There are four major methods of financing smuggling. First is obtaining foreign exchange from the "Tahtakale market." Foreign exchange collected there is taken out and enters our country again as weapons. Another way is the "illegal transfer" method. This, briefly, is how it works. Let us say, a person in Germany wants to send money to Turkey. There are arms smugglers who have an office there. He goes to the company and gives them his money. The person in Turkey to whom the money is being sent is paid in Turkish liras by the company. They do this through the company's office in Turkey.

Dangerous Way

The third and most dangerous way is the narcotics method. This subject needs to be taken up separately. But I cannot let it pass without mentioning the connection with arms smuggling. This, in my opinion, is one of the points on which we are weakest as to state policy.

The West seems to see us as a nation which exports narcotics, introduces narcotics into Europe and America and does this as a matter of state policy. This is wrong. Actually, the West is guilty in the first degree of narcotics smuggling. It is at fault. But we do not, cannot, adequately defend this position on the international platform. If you wish, we could devote another discussion to this. Narcotics and weapons are obtained like this. Narcotics are smuggled from Turkey to foreign countries. This is usually accomplished overland by TIR trucks. A large portion enters Europe via Italy. There the narcotics are converted into foreign exchange and the foreign exchange into weapons, reentering Turkey as weapons, thus completing the cycle.

When we were in office, our security forces raided seven narcotics laboratories on one day in Baskale. This was a very big operation. We interrupted the cycle. The narcotics-arms cycle. All of the laboratories in Baskale had been in operation.

This much can be said without violating secrecy. Narcotics are manufactured here in very small amounts, but large amounts coming from Thailand, shall we say, via Iran pass through Anatolia. At this point, they change hands among the smugglers at specific places. A large portion of the manufacturing here was being done at the laboratories in Baskale.

Important Initiative

We raided those seven when we were in office with helicopters in a large joint operation mounted by police and gendarmerie. And we exposed them. This was an important initiative with regards to arms smuggling at that

time. You remember that some Turks were arrested by Italian police a while ago for large-scale narcotics smuggling. Italian police determined that arms were being purchased in exchange for the narcotics. Our police had discovered this process long before.

External Political Organizations

There is another important matter which cannot be ignored. It is known that certain political establishments with organizations abroad use the dues and money they collect to help in the purchase of arms used in violent actions in Turkey. The external organizations collect money and deposit it with the parent organization with which they are affiliated. Our internal security organization did studies on this when we were in office. If these were evaluated, it would be seen that money known to have been procured by political organizations was used for the purchase of arms.

So, the monetary sources for the purchase of arms are these: The Tahtakale market, illegal transfer, narcotics exchange and political establishments organized abroad.

We Cannot Say

Question: How do the smugglers go about buying these arms?

Answer: Some nations follow a policy which sees no objection to selling arms to anyone who wants to buy them if they have the foreign exchange. The West takes the position that we are sending them narcotics, even intervening on a large scale in our poppy growing, even to the extent of saying, "We will bomb your poppy fields," while we do not, cannot turn to them and say, "You are selling us arms, you are putting arms in our country."

I remember, when you say this once or twice, you get answers inconsistent with friendship, world peace and the internal peace of Turkey such as, "We have a factory, we produce in order to sell, if someone wants our product, we sell." Arms are obtained in this way from some countries.

Other countries sell arms on a more restricted, discreet basis. They say, "Bring a document saying, 'This person is authorized to buy arms.'" Our smugglers bring these documents. They may have documents from an African nation or a sheikdom for instance.

Question: Which friends are these nations?

Answer: I do not wish to give their names and cause an international argument, but they are in the state archives. They get documents saying, "So and so is authorized to purchase arms." Our smugglers buy these

documents. Or they get, are able to get, them from those countries through bribery. Once they get the document, there is no problem. All they have to do is buy the guns from the producing country in exchange for the document. They have the foreign exchange, they have the document, the only problem is to get them to the Turkish market.

Most of the time, the arms they buy are loaded aboard ships at Mediterranean ports. They set off in the direction of Africa or a Middle Eastern country, then change course. And this ship comes in to one of our shores and discharges its inhumane, death-spewing cargo.

Need to Ask This

Question: This commercial relationship would seem to be unpreventable.

Answer: In my opinion, it is necessary to demand this of these countries: "When you make this sort of arms sales, it is necessary that you keep track of whether it reaches the other country. It is necessary that you check the validity of the authorizing document." It is necessary that we make this an international problem. Indeed, it is vital.

Our smugglers are able to buy arms from producing nations in these two ways. The second way, in my opinion, is very important. It is necessary to stress this.

Certain arms-producing nations set up official offices to handle arms trade. Just as we are trying to form the organizations necessary for our exports, and have formed them, so too should they include units to handle the arms trade.

Seek and Ye Shall Find

Question: It would be very helpful if you would give examples in this regard.

Answer: Of course, but let me say some things without naming the state. Seek and ye shall find. States which we call our friends have offices which organize the arms smuggling business. We discovered that a Turkish smuggler that we were after and had spent a lot of time on when I was in office went in and out of Turkey with the passport of a foreign state. This foreign state gave our citizen this passport to enable him to enter and leave Turkey with ease. We are limited there.

In another state, there is a large state-owned estate allocated for the residence of an arms smuggler. TIR trucks are able to enter here. The man runs his business from there. Comfortably and prosperously.

Not Friendly Behavior

Question: Is this a Mediterranean nation, sir, or a European nation?

Answer: Let me just say it is a Western nation. We took up the matter at the time with the authorities of that nation through our diplomatic channels. Mr Okcun brought up the problem at that time. We said, "This behavior of yours is not a friendly act. By doing this, you are provoking an incident in our midst which will soon reach a condition of internal warfare, civil war proportions. How can we look at you and call you 'friend'?" We said it was not friendly behavior.

Question: But the arms smuggling goes on?

Answer: I would like to say this: Certain countries have official offices which organize arms smuggling to Turkey. They have assigned people to head them and they are in constant contact with Turkish smugglers.

Question: The arms come to Turkish shores. What happens then?

Answer: The process is this. Those arriving via the Danube discharge their cargo at the Black Sea, either directly or by changing boats.

Private Highway

They put in at specific places. Here there are private docks. There are even private highways. Let me tell you something concrete. In Akcakoca, there is a road which goes right to the edge of the sea, it ends at the shore. The road ends at the sea. It is the smuggler's private road. We know this and the public officers know this. We went after them as though our honor and reputation depended on it. We brought in our most reliable officers at the vulnerable points of the smuggling. And we got good results. For instance, after a gendarmerie major whom we assigned to an area of our southern border started to work, the price of ammunition in the area increased tenfold. He let nothing through. He worked day and night.

Let me say one more thing, without getting too involved. Smugglers also offload at official docks. They check the watch schedules of the personnel and discharge their goods. This is seen in other matters too, not just arms smuggling.

Division of Labor

Question: Is everybody who is engaged in smuggling in Turkey involved in arms smuggling? It is said to be very profitable.

Answer: No. Actually the Mafia has divided up the territory in Turkey. Certain people are engaged in arms smuggling. No one else gets into arms smuggling. Certain people smuggle cigarettes, certain people smuggle

narcotics. Even specialties in land speculation are designated by definite lines. Moreover, the arms smugglers have divided Turkey into specific regions. A division of labor has been formed at the bottom level, saying, "These work the Black Sea coasts, these work in the Marmara, these work the banks of the Gonen and that person works in Cayirova."

They Are Known, Recognized

Question: Do the security organizations know who they are and recognize them?

Answer. Of course, the leaders' names are known. You want to go after them. Don't bother. The attempt will be blocked within the public employees. This is because we have not been able to do much indoctrination of public employees. And the power of these people often exceeds the power of the state. And the state reinforces them. You put a tail on somebody, you get on their trail, but you still cannot stop them.

They Know Better Than I

Question: Have qualified security officers been put in these posts?

Answer: At the moment there are some people in very responsible positions assigned at points to fight this. I know. I know that they have access to the smugglers' offices. They know how they work better than I do. Mr Demirel is showing that he considers this matter very important. I hope it is easier for him to reach them, with the people who know this problem so well. God willing, he will be successful.

Also, the state has a very rich archive on this matter. There are very valuable, very reliable people in our internal security organization who are well versed in these matters. If they are put to work and if the archives are put to good use, arms smuggling can be fought with a good measure of success.

Something Can Be Done

When we were in office, we had a bill for the establishment of a marine gendarmerie. This must absolutely be passed. If the Assembly passes it, this law will make our coast guard stronger than the smuggler. Everything is ready. Also, boats are on order. We have encountered some foreign exchange problems in bringing the boats to the country. The problem in purchasing these boats must be worked out.

Not Very Important

Question: Should there be some changes made in our customs laws?

Answer: The arms smuggling accomplished by means of tourist vehicles and our workers' vehicles is not very important in comparison to the smuggling done by sea and TIR's. They are not the smugglers. The important thing is the people and organizations who are specially organized for the purpose. We already have laws prohibiting smuggling by the method you mentioned.

Various Organizations

Question: Mr Faruk Sukan said that we have no organization to collect foreign intelligence for the prevention of arms smuggling. Do you have a comment?

Answer: I would back up Mr Sukan from this standpoint. Considering the dimensions which arms smuggling has attained, I believe the organization concerned with preventing it should be quite different. Arms smuggling cannot be and has not been prevented using classic intelligence activities. The Security Directorate General has the organization to tie down the activities of the arms smugglers in the country. We even have colleagues among our security colleagues who have the ability to find them, name by name, place by place. If they were given the job, it would be successful.

Basic Condition

Question: In your opinion, what is the basic condition for success?

Answer: It is this. Whether to concentrate on collecting the arms moving in and out of the Anatolian subcontinent or stopping this traffic at the source. I think the important problem is to choose stopping it at the source. Therefore, we should raise a hue and cry about it on the international platform. We should say, "You are the countries putting arms into the hands of the violent activists in Turkey, you are the ones responsible for the killings in Turkey." If we bring this to the attention of the Western public, the arms industry there will encounter significant pressure. It is not enough to confiscate those coming to Anatolia, because more will follow. Then the size of the problem requires intervention at the source.

While Debating Nuclear Missiles

Question: With NATO emplacement of nuclear warheads in Europe being debated around the world right now, is it not hard to see light arms smuggling being taken up on the international platform?

Answer: Terrorism is the curse of every democratic nation in the world today. An international effort must be undertaken, this must be put together. If an international dimension cannot be given to the struggle against terrorism, if we cannot share our thoughts with Italy, Spain, Belgium, Bulgaria and even Germany, it cannot be successful. If they also shared our anxieties over arms, it would be more effective.

Very Little Done

Question: Is the Turkish public adequately aware of the arms smuggling problem?

Answer: Not as much as it should be. It is concerned about the killings, but it does not know enough about what is behind them. A positive pressure group could be created by making known the part that arms smuggling plays in the violent incidents and then, if necessary, revealing them name by name. Actually, in the general struggle against terrorism, the public must be informed and aware. Very little of this has been done. We made some attempts at this when we were in office. But it was a new problem and we were not successful. But this aspect of the problem absolutely must be carried out.

Insignificant Rate

Question: Could you give a figure on the ratio of arms confiscated to arms used in Turkey?

Answer: The arms seized by our internal security organization are the arms which have not yet reached the hands of the user. These are largely the arms seized. Arms confiscated from the people are not the arms used in violent actions. Very few arms have been seized in the organizations, however. But a few guns are used in many crimes. The fact that the organizations have few arms is not very important. This kind of comparison has no practical meaning.

Question: Does a drop in prices on the illicit arms market in Turkey indicate that there will probably be an action?

Answer: Of course, if the price of a Kalashnikov automatic rifle, for instance, drops to 60,000 liras, it means there will probably be an action in that area. And you could say the opposite for a rise in prices. When prices go up, it is hard to mount an action. Which also amounts to saying that a lot more weapons enter the country when they are cheap. A lot more weapons means a lot more actions.

Question: Sixty-six RPP parliamentarians have called for a hearing on arms smuggling. Can all of our parliamentarians say what 66 of our parliamentarians have said?

Answer: I hope so.

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